



**Homes and
Community Renewal**

New York State Homeowner Assistance Fund (NYS HAF)

Summary of Draft Proposal to US Treasury

June 15, 2021

Overview of Treasury Guidance

- ❖ HAF was established as part of the [American Rescue Plan Act \(ARP\)](#) enacted in March 2021. In April 2021, the US Treasury issued program [Guidance](#) for the program.
- ❖ HAF funds may be used to assist homeowners who are **at risk of foreclosure and/or displacement**. Eligible uses may include (but are not limited to):
 - ❖ Mortgage arrears satisfaction/principal reduction
 - ❖ Property tax arrear satisfaction
 - ❖ Insurance and utility arrear satisfaction
 - ❖ HOA/Maintenance arrear satisfaction
- ❖ Eligible applicants must have experienced a qualified **“Financial Hardship”** defined as a material reduction in income or material increase in living expenses as a result of the coronavirus pandemic.

Overview of Treasury Guidance (cont.)

- ❖ Treasury has awarded NY State just under \$540 Million
 - ❖ NY State may use up to 15% of funds for administrative expenses
 - ❖ NY State may use a portion of funds to support housing counseling and legal services providers in a limited capacity.
- ❖ Treasury is requiring:
 - ❖ 60% of funds shall assist homeowners earning less than the median income
Examples of the median incomes for a family of 3:
 - ❖ NYC = \$102,350/Yr.
 - ❖ Buffalo = \$69,850/Yr.
 - ❖ Rochester = \$68,750/Yr.
 - ❖ Albany = \$87,300/Yr.
 - ❖ 40% of funds shall assist “**socially disadvantaged individuals**” defined those who have been subjected to racial or ethnic prejudice or those who qualify under the 13 CFR 124.103(c) or (d)
 - ❖ All funds shall assist homeowners with incomes at or less than 150% of the area median income (AMI).

Program Administration Overview

- ❖ HCR requested proposals from nonprofit Community Development Financial Institutions (CDFIs) with deep knowledge and experience operating foreclosure prevention and loss mitigation programs.
- ❖ In response to the request, three CDFIs submitted proposals.
- ❖ HCR's review committee unanimously selected Sustainable Neighborhoods LLC (SN LLC). SN LLC is the CDFI affiliate of the non-profit organization, the Center for New York City Neighborhoods.

The Center for New York City Neighborhoods

- ❖ The Center for NYC Neighborhoods was created in 2008 to combat the foreclosure crisis facing homeowners. What started during the mortgage crisis has grown into wraparound services agency serving homeowners in neighborhoods across New York State.
- ❖ Since their inception they have managed over \$325 Million in state and local grant programs related to homeownership, including the NYS MAP program; a state-wide \$100 Million homeowner assistance program funded with Attorney General settlement dollars during the last foreclosure crisis.
- ❖ HCR and SN LLC will also engage the Homeowner Protection Program (HOPP), a network of legal services and housing counseling providers to assist with program outreach and with application submissions.

Homeownership by Region

- ❖ There are nearly 4 million owner-occupied homeowners across all market segments in NY.
- ❖ The lowest homeownership rate is in NYC at 32.7% and the highest is in Long Island at 80.6%. However, in NYC, 50% of homeowners are households of color.

Table 1: Homeowners and Homeownership Rates by REDC (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

Potential Eligible Applicants

Based on our analysis, there are five (5) types of homeowners who will likely need and be eligible for assistance:

- ❖ Homeowners with mortgages, who are coming out of forbearance plans.
- ❖ Homeowners with mortgages, who were not offered a forbearance plan or who missed the option and who are deemed delinquent.
- ❖ Homeowners without a mortgage, who are delinquent on property taxes, water and insurance, including reverse mortgage borrowers.
- ❖ Homeowners who live in coops or condos who are delinquent on their HOA or maintenance fees.
- ❖ Homeowners who live in Manufactured Home Communities and who are delinquent on their home loans or retail installment contracts.

Potential Eligible Applicants

There is limited real-time data on how households have been financially impacted by the pandemic, so determining potential applicant pools is difficult.

	Est. Income-Eligible HHs*	May be at risk
Homeowners with mortgages	1,020,000	<ul style="list-style-type: none"> HO coming out of forbearance: ~6.4% (MAPD data from ATL Fed, Jan 2021) HO in delinquency: ~4.4% (MAPD data from ATL Fed, Jan 2021)
Non-mortgaged homeowners	900,000	<ul style="list-style-type: none"> HO in tax delinquency: ~1-2% (based on data and discussions with county tax collectors)
Limited Equity Coop homeowners	78,000	<ul style="list-style-type: none"> ~12.2% (HCR model of income loss due to COVID)
Manufactured Home Community homeowners	48,000	<ul style="list-style-type: none"> ~12.7% (HCR model of income loss due to COVID)

* Income-eligible household estimates include HHs <=100% AMI + socially disadvantaged HHs 100-150% AMI

NYS HAF Programs Proposal

Mortgage Reinstatement/Principal Reduction Program: HCR will provide assistance in the form of a 5-year, non-interest bearing, non amortizing, forgivable loan.

Eligible Applicants:

Homeowners with a mortgage who are exiting forbearance and homeowners who are delinquent on their mortgage because they were “denied” or “missed” the option to go into a forbearance plan.

Eligibility and Maximum Award:

- Eligible applicants may apply for the amount needed to achieve an affordable modification or to satisfy mortgage arrears if a reduction in income results in an unaffordable monthly housing payment. Assistance shall not to exceed the \$50,000 program cap. Eligible assistance includes principal, interest, taxes, insurance, HOA fees and other housing costs.
- Eligible applicants must be at risk of foreclosure, and have no other reasonable and affordable repayment option, and demonstrate a future ability to afford their housing costs.

NYS HAF Programs Proposal (cont.)

Arrears Satisfaction Program: HCR will provide assistance in the form of a 5-year, non-interest bearing, non amortizing, forgivable loan.

Eligible Applicants:

- Homeowners who do not have a mortgage and who are delinquent on property tax, water, and insurance obligations, including seniors with reverse mortgages.
- Condo and coop owners who are delinquent on HOA/maintenance fees.
- Manufactured homeowners who are delinquent on their home loan or their retail installment contract.

Eligibility & Maximum Award:

- Eligible applicants may apply for an amount equal to the actual arrears owed, not to exceed the \$50,000 program cap.
- Eligible applicants must be at-risk of foreclosure or eviction and have no other reasonable and affordable repayment option and must demonstrate a future ability to afford their housing costs.

NYS HAF Programs Proposal (cont.)

Forward Payments Program: HCR will leverage HAF funds with CDBG-CV funds for this program.

Eligible Applicants:

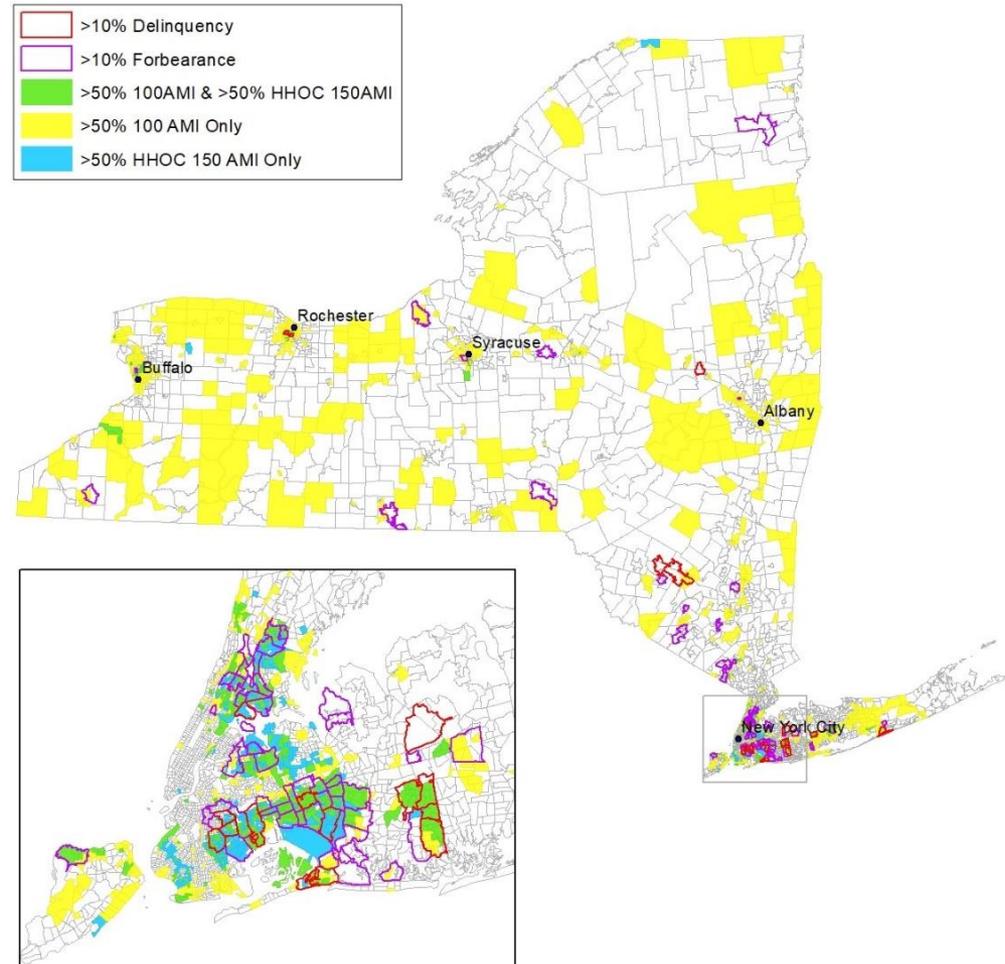
Unemployed or severely under-employed homeowners who are eligible for one of the NYS HAF programs (the Mortgage Reinstatement/Principal Reduction Program or the Arrears Satisfaction Program).

Eligibility and Maximum Award

- Eligible applicants must have had pre-pandemic incomes that were at or below 80% of the AMI.
- Applicants may qualify for a mortgage reinstatement/principal reduction and/or satisfaction of arrears as up to 6 months of prospective housing payments.
- HAF funds used to settle arrears cannot exceed the program cap of \$50,000, and CDBG funds will be limited to no more than 6 prospective consecutive monthly payments (per federal guidelines).

Methods for Targeting Priority Applicants

- Using HMDA data, HCR identified areas where most home buyers in the years just preceding the pandemic had incomes at or below the median and had mostly Socially Disadvantaged individuals with incomes at or below 150% AMI.
- Using loan performance data, we identified areas where mortgage forbearance and delinquency rates were disproportionately high (>10%)
- Results: out of ~2,100 census tracts identified as low income/socially disadvantaged, 860 (40.3%) are in zip codes with high mortgage forbearance or delinquency rates.



Methods for Targeting Eligible Applicants (cont.)

Targeted outreach to these populations will be done, using the following methods:

- ❖ **Legal Services and Housing Counselors/HOPP**
 - ❖ Host “Walk-In” Clinics where homeowners can meet with a counselor or an attorney and be reviewed for eligibility.
 - ❖ Staff in-person “courthouse days” where counselors provide consultations to homeowners.
- ❖ **Paid and Earned Media**
 - ❖ Paid ads (radio, TV, and newspapers in English and the top LEP languages)
 - ❖ Launch digital outreach, including social media, search engine/ad words, and other web-based strategies
- ❖ **Grassroots Outreach**
 - ❖ Present at community centers, faith-based institutions, and other targeted neighborhood facilities.
 - ❖ Conduct door-to-door outreach in areas where there is limited access to sufficient internet service.
 - ❖ Increase education and program awareness to “first-referrers”—trusted local leaders who are active in targeted communities and who are typically who community members turn to first when in need.
- ❖ **On-going Transparency and Communication**
 - ❖ Dedicate resources and staff to a multi-lingual homeowner hotline, website and email contact.
 - ❖ Brief local, state, and federal elected officials and their staff, particularly those whose constituents are low income and communities of color.

Application Submission

- ❖ Applications will be accepted through an online portal, which will be accessible 24/7 for a limited, but sufficient, period of time. Updates regarding the application period will be posted at hcr.ny.gov/homeowners.
- ❖ Referrals may also be made for homeowners who wish to apply with the assistance of a HOPP supported housing counselor or legal service provider.
- ❖ For homeowners with limited internet access, applicants may apply by phone with assistance from HOPP organizations or from the SN LLC program staff.
- ❖ A well-resourced and staffed hotline will be functional for homeowners to call or email for assistance in application submission.

Timeline to Launch

June 15th: HCR releases draft Needs Assessment and Plan (the Plan) for public comment.
hcr.ny.gov/homeowners

June 15- 25th: HCR hosts a series of webinars with relevant stakeholders including members of the state legislature, the congressional delegation, homeownership advocates and leaders who are active in communities with concentrations of Socially Disadvantaged Individuals and low-income homeowners.

June 23, 5:30pm: HCR hosts a Public Hearing, giving an overview of the Plan.

June 30th: HCR submits the Plan to Treasury

July- mid-August: HCR and SN LLC prepare staffing, hotline, on-line portal, policies and procedures and marketing materials.

Early September: Pending final approval from the US Treasury, SN LLC will start accepting applications.