

# Arizona Department of Housing

## Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

1. **What is meant by, “and will eventually incorporate Displacement Prevention assistance.” (Page 6 under program design)?**
  - A. Displacement Prevention Assistance will be considered and allocated in the program budget, however, this component will not be launched at program startup. ADOH will revisit this allocation and the potential disbursement of funds as it gains more experience with the HAF program and determines the need within the targeted geographic areas.
  
2. **What information are you looking to gain or learn from the program that will determine if or how the Displacement Prevention Assistance allocation will be used?**
  - A. ADOH will need more time and research to determine the need for additional Displacement Prevention Assistance funding in the state. The agency already has an active Community Development and Revitalization division that provides Community Development Block Grant (CDBG), Home Investment Partnership (HOME) program funds, and the Weatherization Assistance Program to assist homeowners with rehabilitation work to improve living conditions and energy efficiency. In addition to these State funds, several local jurisdictions have federal programs and funds to do the same. These resources may significantly mitigate the need for HAF funding in this area.
  
3. **Why are program funds being provided as a grant? Why are applicants getting Homeowner’s Assistance Funds (HAF) to keep their home with no obligation when they have equity in the property? This is enriching homeowners by providing them instant equity (money) in addition to shelter. Applicants getting down payment assistance (DPA) from the state to buy a home have a 3-year lien for which they must repay the assistance and they usually start out with little to no equity.**
  - A. Down Payment Assistance is used to provide homeownership opportunities for low income households and is crafted as a long-term agreement with housing counseling and financial management requirements as well as staffing for ongoing monitoring. HAF is an emergency assistance program aimed at preventing imminent foreclosure for low income households who have been financially impacted by a global pandemic. HAF funds are being issued as a Non-Recourse Grant in order to provide assistance as quickly and efficiently as possible and eliminate the need for excessive paperwork and documentation as well as long term staffing and monitoring.
  
4. **How will the applicant’s attestation of “Financial Hardship” be verified? Confirming an applicant’s ability to sustain the housing post the assistance is important to ensure the program objective is accomplished. Also, failure to appropriately verify hardship may subject the entire program to fraud.**
  - A. HAF guidance allows applicants to attest that they experienced financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member). The applicant will be required to document household income and provide past due mortgage and utility bills to receive assistance.
  
5. **What if the mortgage delinquency is greater than 12 months but less than \$25K, could an applicant still be eligible for the reinstatement and monthly mortgage assistance for three months?**
  - A. Possibly, each applicant will be evaluated on a case-by-case basis.

# Arizona Department of Housing

## Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

6. **What is meant by tracking and prioritizing applicants as a result of “Targeting Vulnerable Groups (race/ethnicity of head of household, income below 150% AMI or by geographical area)?**
  - A. HAF guidance requires participants to target, prioritize, track, and report on applicants determined to be vulnerable populations based on income ranges, racial and ethnic demographics, and/or geographic areas (including rural communities), as appropriate for the jurisdiction. Guidance also requires that 60% of the funding be provided to households at or below 100% of AMI. Prioritization will include setting aside 60% of the funding for the lower income households and may also include processing vulnerable population applications first and concentrating funding for outreach and assistance in designated geographical areas. Targeting methods may include marketing, community engagement strategies, partnerships with housing counseling agencies or legal aid organizations, or other educational services that are aligned with the HAF participant’s program design, in a manner that is culturally and linguistically relevant to the targeted communities.
  
7. **What is meant by “Reducing Mortgage Delinquencies” as an overall metric for “Applications approved and funded by race/ethnicity of head of household”?**
  - A. HAF guidance requires participants to track and report on characteristics of households assisted and each type of assistance provided. This reporting metric will identify the reduction of existing mortgage delinquencies by the characteristics of each household assisted.
  
8. **What is the online application and payment system to be used to streamline the delivery of the program assistance?**
  - A. Speridian Technologies’ Financial Assistance Management System (FAMS) is the online application and payment program that will be used for HAF.
  
9. **What templates and procedures have been developed by the National Council of Housing Agencies (NCHSA) and mortgage servicers that will be used by ADOH?**
  - A. Forms include: HAF Third Party Authorization Form, the HAF Collaboration Agreement Servicer Contacts for NCSHA that were updated August 25, 2021, and the Common Data File.
  
10. **Who is Maximus and what is their experience delivering comparable assistance given the significant role they play in the delivery of this assistance?**
  - A. Maximus is a 40 year old global service company that partners with Federal, State, and Local governments in nine countries to implement programs rapidly with scalable operations and automated systems. Their work in the US includes contracting with the Departments of Labor, Health and Human Services, Veterans Affairs, and the Internal Revenue Service for services including case management, call centers, and coordination of services for federal programs. Maximus is currently on State contract and will provide call center and case management representatives to oversee application intake and case management/adjudication services.

# Arizona Department of Housing

## Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

- 11. Why did you discontinue accepting applications under the Hardest Hit Fund (HHF) program since a pilot program was not launched for HAF?**
- A. The HHF program was ended by Treasury. On April 24, 2020, the U.S. Department of Treasury issued a written notice through a memorandum that stated “New Services may be undertaken through and including June 30, 2021. Any requests for an extension beyond this point, or request for an extension of the final disbursement deadline of December 31, 2021, shall be reviewed separately in the normal course of business on a state-by-state basis.” The State did not request an extension in anticipation of the new HAF program.
- 12. What is Arizona’s HAF allocation, the Treasury shows \$196,984,339 and ADOH’s plan budget is \$199,000,000?**
- A. The draft plan used the original notification dollar amount of \$199,000,000. However, the final allocation to the State of Arizona was published as \$196,984,339, which will be accurately noted in the final plan submitted to the U.S. Department of Treasury.
- 13. What is the projected launch date of the program?**
- A. The projected launch date is still undetermined because Treasury has to approve ADOH’s final implementation plan. However, the Department will be ready to launch in mid-to late October 2021.
- 14. What is the projected delivery time of the assistance for eligible applicants?**
- A. Once complete applications are submitted, documentation must be reviewed, and payment amounts must be verified with the service providers before electronic payments will be made. Depending on volume, ADOH hopes to provide payments to mortgage servicers and/or utilities within two to three weeks of receiving a complete application.
- 15. Will people who got help from the Save My Home Arizona program be eligible for help with mortgage?**
- A. Yes, if the need is there and they qualify they may still be eligible for mortgage assistance through HAF funds.
- 16. Will HAF be for the entire state? Regardless of other municipality similar programs?**
- A. Yes, HAF funds will be available to the entire state with exception of tribal communities where funding was awarded separately.
- 17. How/where do we find “high minority and low income communities” parameters?**
- A. ADOH is currently identifying high minority and low-income communities with significant forbearance and delinquency rates. Marketing and outreach efforts will be specific to those communities and will be language and culturally appropriate. Specific targeting and outreach events for these communities will be coordinated with contracted Housing Counseling and Community Action Agencies.
- 18. Are you able to get a list from the mortgage servicers on the zip codes that are delinquent?**

# Arizona Department of Housing

## Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

- A. ADOH has requested this information from its partnering mortgage servicers but has not been successful in receiving the information. However, the following website from the Atlanta Federal Reserve has proven beneficial. It is suggested that you visit the tool to find out more about delinquencies by county: <https://www.atlantafed.org/center-for-housing-and-policy/data-and-tools/mortgage-analytics-and-performance-dashboard>

### 19. How are local agencies able to contract with the state to assist with this program?

- A. ADOH is looking for assistance with direct outreach along with application assistance. Community Action Agencies and Housing Counseling agencies that are interested to participate will submit a response to a NOFA. If these agencies currently contract with ADOH, response to the NOFA would not be required.

### 20. Who is responding to potential clients at this time?

- A. ADOH currently has its eligibility website up and running and there are FAQs and resources available on the site: <https://haf.azhousing.gov/> The site requests that visitors return by showing the following message if they are determined eligible: "We will be accepting applications for the HAF program very soon. Please visit this website for future updates."

### 21. Will you be promoting the agencies or do referrals come from ADOH?

- A. ADOH will provide local agencies with funding and assistance for outreach of targeted communities. ADOH will also refer incomplete and denied applications to local agencies for more personalized assistance.

### 22. Can declined applicants reapply?

- A. Yes, applicants can reapply if they are denied.

### 23. Will applicants know why they are declined?

- A. Yes, reasons for denial will be provided to applicants as well as an appeal process and a referral to a local agency for additional assistance if needed.

### 24. Should servicer not be willing to help/reinstate; could the state purchase the property or help agencies to purchase to keep the properties in the affordable housing space?

- As an example of Displacement Prevention, give the agency is first right to purchase the note to keep residents in the home.
- A. Possibly, ADOH will consider this as a future use for Displacement Prevention funds.

### 25. Will Housing Counseling Agencies and Housing Partners be hosting events as a group?

- A. Housing events as a group would be at the discretion of Housing Counseling Agencies and Housing Partners. ADOH will not host outreach events and will leave it to the agencies to administer these events depending on the need in the area. ADOH will provide funding to agencies for outreach events they host.

### 26. Please explain how ADOH will make assessable, this assistance, across the State of Arizona. With a single access portal, assuming a first come first serve methodology, the most tech savvy applicants will be

# Arizona Department of Housing

## Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

advantaged, as well as those from urbanized and populated areas; Phoenix, Mesa, Glendale, Tempe, and Tucson.

A. ADOH will be targeting marketing and outreach efforts to low income, high minority, and rural communities throughout the State. Additionally, ADOH will contract with local agencies in these communities to provide direct outreach, outreach events, and personal assistance for vulnerable populations who may be less tech-savvy than the general population. Per HAF Guidance, 60% of the funding will be set aside for households at or below 100% of AMI and those households are predominately minority and/or located in rural areas of the State where our outreach efforts are concentrated.

**27. Will you consider an allocation methodology across the State with budgets and access to those budgets, specific to communities?**

A. Per HAF Guidance, 60% of the funding will be set aside for households at or below 100% of AMI and those households are predominately minority and/or located in rural areas of the State where our outreach efforts will be concentrated. The HAF program will open with a State wide budget and marketing and outreach targeting specific to communities. It is hoped that the direct marketing and outreach will level the applications among communities. The implementation will be closely monitored and if low income, high minority communities are not being equitably served, adjustments will be made to increase efforts and set aside funding by community.

**28. The plan identifies contracting with Housing Counseling Agencies, can you identify the pool of Agencies, and your method of funding distribution to these agencies? Is this pool of Agencies located within Arizona and covered across the State?**

A. All Arizona Housing Counseling Agencies and Community Action Agencies may assist with HAF implementation. ADOH is currently working to post a NOFA for agencies that are not already actively working with the Department. These agencies will contract for outreach efforts and application assistance for the HAF program. Agencies participating in HAF will be paid from either a NeighborWorks Grant or the HAF Program, depending on the agency and its current contract status.

**29. You identify partnering with Community Action Agencies but those agencies are not listed in the budget; do you plan to contract with CAP's so they may provide navigation and application assistance to residents in local communities across the State?**

A. Yes, the plan that was posted was only a Draft Plan and did not include all anticipated partnerships. The Final Plan will include Community Action Agencies as well as Housing Counseling Agencies.

**30. If the homeowner accepts the funds, does that mean that they now need to start payments again the following month? What if they are still unemployed?**

A. If the homeowner is able, they will be required to start payments the following month. However, if the homeowner is still experiencing financial hardship and they have not used up the \$25,000 maximum per household, the remaining funding can be used for monthly mortgage payment assistance outside of reinstatement.

**31. What is the process to participate for housing counseling agency?**

## Arizona Department of Housing

### Homeowner Assistance Fund Implementation Plan - Public Comment Q&A

- A. ADOH is looking for assistance with direct outreach along with application assistance. Community Action Agencies and Housing Counseling agencies that are interested to participate will submit a response to a NOFA. If these agencies currently work with ADOH, response to the NOFA would not be required.

#### **32. How are you defining “high minority areas”?**

- A. Majority-minority Census tracts will be identified as high minority communities for the purpose of HAF implementation.

#### **33. Can you speak more about the prioritization and how that will be implemented at the start of the program? Also, is there a possibility of recipients receiving support for future months if they are not at the max with arrears?**

- A. Assistance types will be applied in order: Reinstatement Assistance Payment, Insurance Assistance Payment (Homeowners, Flood, and/or Mortgage), Utility / Internet / Broadband Assistance Payment, Monthly Mortgage Assistance Payment, Delinquent Property Tax Assistance Payment, and Association Fees & Lien assistance.  
Yes, there is a possibility of recipients receiving support for future months if they have not reached the \$25,000 maximum assistance.

#### **34. I am hearing that ID.me system is very cumbersome and lengthy. Is there an opportunity for Partners to verify identity in other ways?**

- A. We will consider other methods of identity verification if ID.me becomes problematic. Currently ADOH anticipates that the applicant will have enough personal assistance from the Community Action Agency or Housing Counseling Agency that they will be able to complete the ID.me process successfully.

#### **35. What percentage of the 79,000 are FHA loans? FHA are giving partial claims so we would not need to bring the account current, which would leave funding for others. Do you know the numbers of FHA loans?**

- A. In August 2021, Arizona had over 181,000 active FHA loans. Over 14,600 of those FHA loans were in Forbearance and over 18,500 were delinquent, so about 42% of the 79,000 are FHA loans.