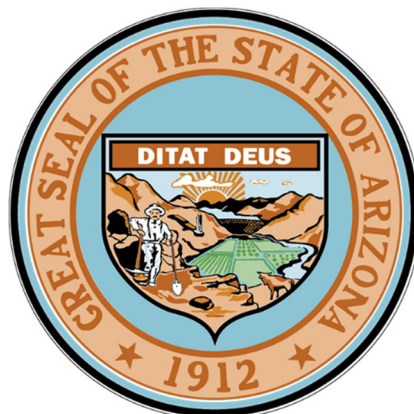




ARIZONA HOMEOWNER ASSISTANCE FUND PLAN (AZHAF)

Prepared for the U.S. Department of Treasury by the Arizona Department of Housing.

November 2021



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Homeowner Needs and Engagement

Similar to other states, Arizona residents have experienced hardships since the COVID-19 public health crisis that began in January of 2020. Due to pandemic closures, quarantines, and other changes in daily habits, many Arizona residents lost their jobs or experienced significant reductions in income that resulted in accumulated debt. In January 2020, the State of Arizona's unemployment rate was 4.1% and as of August 2021, the unemployment rate had risen to 6.2% (US Bureau of Labor Statistics). The ongoing uncertainty has inhibited a more robust recovery, but many folks continue to move to Arizona and a number of large tech and biomedical companies are locating their manufacturing facilities here. Future financial challenges are unknown, but Arizonans are continuing to financially recover as jobs are added to the local economy and they return to work.

In preparation for the U.S. Treasury's Homeowner Assistance Fund (HAF), the Arizona Department of Housing (ADOH) has created the following plan for the purpose of mitigating homeowners' financial hardships associated with the coronavirus pandemic. The plan's focus is to provide funds to eligible homeowners that will assist with mortgage delinquencies and prevent defaults and foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020.

Data-Driven Assessments of Homeowner Needs

The need for mortgage assistance in Arizona is significant. Financial hardship resulting from the pandemic is especially high in rural, low income, and high minority population communities. Below is a summary of mortgage data for Arizona based on reports received from the U.S. Department of Treasury and US Census Bureau:

Federal Reserve Bank Mortgage Dashboard

Statewide Mortgages – 383,245

23% of total Mortgages are Low Income Borrowers

34% of total Mortgages are High Minority Population Borrowers

Forbearance Rate – 3.2% / 12,263 loans currently in forbearance

Statewide Forbearance Rate 3.2% - Low Income 4%, High Minority 4.3%

Delinquency Rate – 1.1% / 4,216 loans currently delinquent

Statewide Delinquency Rate 1.1% - Low Income 1.4%, High Minority 1.5%

Federal Reserve Bank Mortgage Dashboard – Bank Serviced Portfolio Loans Only

Statewide Mortgages – 11,126

Statewide Mortgages in Forbearance – 401

Statewide Mortgages in Delinquency - 133

Statewide Forbearance Rate 3.6% - Rural 12%, Low Income 4.5%, High Minority 5.5%

Statewide Delinquency Rate 1.2% - Rural 3%. Low Income 2.1%, High Minority 2.3%

Reports received from Treasury – Arizona FHA, Dept. of Agriculture, VA Loans

Total loans in Forbearance – 20,224

Minority Borrowers in Forbearance – 10,672 (53% of all loans in Forbearance)

Average income in Forbearance - \$49,560 to \$53,567

USDA/VA Delinquent Amount in Forbearance – \$54,724,345

Loans 90+ days Delinquent not in Forbearance – 78,952

Minority Borrowers with Loans 90+ days Delinquent - 11,783 (15% of all 90+ days Delinquent)

53% of Minority Borrowers with Loans 90+ Days Delinquent are Hispanic

Over 90% of VA loans in delinquency or forbearance are "Other" Minority Borrowers

Active Foreclosures – 360

US Census Bureau – Quick Facts Report for Arizona

Median household income in 2019 dollars - \$58,945

Median selected monthly owner costs with a mortgage 2015-2019 - \$1,434

Language other than English spoken at home – 27.1%

Arizona Republic – Primary Newspaper in Arizona

February 2, 2021 - Over 50,000 residents and businesses in the Valley are behind on utility bills

Arizona Public Service – Arizona’s largest electricity supplier’s website

“We recognize the financial impact many of our customers have been facing and we’re here to help. We are suspending service disconnections and waiving late fees from June 1, 2021, to October 15, 2021.”

Summary

There is significant need for assistance in Arizona. Arizona has over 33,000 mortgages currently in forbearance and over 83,000 mortgages in delinquency. Both forbearances and delinquencies are significantly greater among rural, low income, and high minority communities. The largest minority community with the greatest need is the Hispanic community and a significant portion of that community speaks Spanish in the home.

Cities in the largest metro area “the Valley” recently reported over 50,000 residential and business utility delinquencies. The number of electric and gas delinquencies is unknown, but assumed to be similar. ADOH had almost 10,000 unique pre-screenings of HAF applicants since an eligibility website was opened on August 13, 2021. Utility requests in those pre-screenings included over 5,500 for electricity, 5,200 for internet, and 2,800 for water. Because of the extreme desert heat, most Arizona water and electric utilities have extended pandemic suspensions of disconnections through the summer months and resumed disconnections in October 2021.

ADOH is using census tract information to identify high minority communities and the Mortgage nonpayment’s by State tool on the website for the Federal Reserve Bank of Atlanta: <https://www.atlantafed.org/center-for-housing-and-policy/data-and-tools/mortgage-analytics-and-performance-dashboard> to identify counties with high 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 Agencies and Community Action Agencies. ADOH is encouraging contracted local housing counseling and community action agencies to use their special relationships with low income and minority communities to overcome any hesitancy about a government program, documentation requirements, or lack of experience with technology.

Through various funding sources, many Arizona agencies and local jurisdictions have been and continue to provide utility, rental, and other assistance to those most affected by the pandemic. ADOH is working closely with utility providers, other State Departments, and local jurisdictions who serve the low-income populations affected by the pandemic to leverage assistance and minimize duplication and fraudulent collection of assistance. Up to date delinquency amounts will be verified with each payee prior to authorizing payment on behalf of HAF applicants. Any excess payments will be returned to ADOH to use for other HAF assistance.

Evidence of Public Participation and Community Engagement

Since June 2021, ADOH has met with the following City and County jurisdictions, Community Action Organizations, and Housing Counseling Agencies to discuss the implementation of the HAF Program:

Organization Name	Organization Address	Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Administration of Resources & Choices	5800 W Glenn Dr Suite 330, Glendale, AZ 85301	https://arc-az.org/	Yes	Yes
Arizona Housing Coalition	1495 E Osborn Rd, Phoenix, AZ 85014	https://www.azhousingcoalition.org/	Yes	Yes
AZCEND	345 S California St., Chandler, AZ 85225	https://azcend.org/	Yes	Yes
Chicanos Por La Causa	1112 E. Buckeye Rd., Phoenix, AZ 85034	https://cplc.org/	Yes	Yes
City Manager's Office – City of Phoenix	200 W Washington St, Phoenix, AZ 85003	https://www.phoenix.gov/citymanager	Yes	Yes
City of Glendale CAP	5850 W Glendale Ave, Glendale, AZ 85301	https://www.glendaleaz.com/live/city_services/citizen_assistance_programs/crisis_assistance_programs	Yes	Yes
City of Phoenix Human Services Department	200 W Washington St, Phoenix, AZ 85003	https://www.phoenix.gov/human-services	Yes	Yes
Coconino County Community Services Department	2625 N King St, Flagstaff, AZ 86004	https://www.coconino.az.gov/143/Community-Services	Yes	Yes
Comite De Bien Estar, Inc.	963 B St, San Luis, AZ 85349	https://www.comiteaz.com/	Yes	Yes
Community Action Human Resources Agency (CAHRA)	109 N Sunshine Blvd, Eloy, AZ 85131	https://www.cahra.org/	Yes	Yes
Family Housing Resources	3503 N Campbell Ave Ste 501, Tucson, AZ 85719	https://www.fhrtucson.org/	Yes	Yes
Genesis Housing Services	PO Box 1555, Higley, AZ 85236	https://genesishs.org/	Yes	Yes
Gila County CAP	107 W Frontier St C, Payson, AZ 85541	https://www.gilacountyaz.gov/government/community/community_action_program.php	Yes	Yes
Housing Solutions of Northern Arizona	2304 N 3rd St, Flagstaff, AZ 86004	https://www.housingnaz.org/	Yes	Yes
Maricopa County Human Services Department	234 N Central Ave #3000, Phoenix, AZ 85004	https://www.maricopa.gov/5270/Human-Services	Yes	Yes
Mesa Community Action Network	635 E Broadway Rd., Mesa, AZ 85204	https://www.turnanewleaf.org/	Yes	Yes
Newtown CDC/CLT	2106 E Apache Blvd. #112, Tempe, AZ 85281	https://newtowncdc.org/	Yes	Yes
NID Housing Counseling Agency (AZ) (NID-HCA)	2111 E. Highland, Ste. 240, Phoenix, AZ 85016	https://www.nidhousing.com/	Yes	Yes
Northern Arizona Council of Governments (NACOG)	119 E Aspen Ave, Flagstaff, AZ 86001	https://nacog.org/	Yes	Yes
Old Pueblo Community Services	4501 East 5th Street UNIT 1, Tucson, AZ 85711	https://helptucson.org/	Yes	Yes
Pima County Community Action Agency	2797 E Ajo Way, Tucson, AZ 85713	https://webcms.pima.gov/cms/online.aspx?pageId=24795	Yes	Yes
Pima County Community Land Trust (Pima County CLT)	17 N Linda Ave, Tucson, AZ 85745	https://www.pcclt.org/	Yes	Yes

Table Continued on the Next Page

Organization Name	Organization Address	Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Pio Decimo Center - Catholic Community Services	848 S 7th Ave, Tucson, AZ 85701	https://www.ccs-soaz.org/agencies-ministries/detail/pio-decimo-center	Yes	Yes
Southeastern Arizona Governments Organization (SEAGO)	1403 AZ-92, Bisbee, AZ 85603	https://www.seago.org/	Yes	Yes
Take Charge America	20620 North 19th Ave., Phoenix, AZ 85027	https://www.takechargeamerica.org/	Yes	Yes
The Primavera Foundation, Inc.	151 W. 40th St., Tucson, AZ 85713	https://www.primavera.org/	Yes	Yes
Trellis Community Development	1405 E McDowell Rd, Phoenix, AZ 85006	https://trellisaz.org/	Yes	Yes
Western Arizona Council of Governments (WACOG)	1235 S Redondo Center Dr, Yuma, AZ 85365	https://www.wacog.com/	Yes	Yes
Wildfire AZ	340 E Palm Lane, Ste. 315 Phoenix, AZ 85004	https://wildfireaz.org/	Yes	Yes

Since May 2021, ADOH staff has participated in HAF calls with the National Council of State Housing Agencies (NCSHA). This group included representatives from all States as well as mortgage servicers to discuss the implementation of the HAF Program. To maintain consistency and positive relationships with servicers, ADOH utilized templates, data sharing agreements, and any other standardized documents and processes resulting from these collaborations.

In addition to the outreach mentioned above, there were other meetings where ADOH staff met with external sources to gather source information and community engagement participation. ADOH staff has reviewed HAF Program implementation plans submitted and drafted by other States through their published online information and summarized it for reference in development of ADOH’s program. ADOH’s Deputy Director met with the Product and Policy Development Advisor and a Senior Associate in the Community Lending/Business Development from Fannie Mae Affordable Lending and Housing Equity Team to discuss program design.

To solicit input on the draft plan, ADOH held a 7-day public comment period and hosted two virtual public hearings on September 8, 2021 and September 10, 2021. The draft plan was posted to the ADOH website, with paper copies available upon request. Additionally, given the high number of Spanish speaking households in AZ, ADOH also posted a Spanish translation of the draft plan. During each hearing, ADOH presented information on the plan including eligibility requirements, documentation requirements, disbursement priorities, processes, and opportunities for partnership. ADOH solicited comments from members of the public via email and the public hearings. ADOH advertised these hearings in the State’s primary newspapers, on its website, an e-mail blast to community partners, and all social media outlets available to the Department (Facebook, Twitter, etc.). In addition to providing information about the public hearings, the advertisements allowed submission of comments in writing to a designated ADOH email, HAFComments@azhousing.gov.

Questions and comments were submitted to ADOH during the 7-day public comment period. A total of 35 questions were directly addressed by ADOH and provided insight to the proposed program components, funding allocations to rural communities, as well as requests for clarification on sections of the posted draft plan. All questions were answered verbally in the public meeting, when possible, and were summarized and posted with a written response. Some questions that prompted clarification or additions to the draft plan included the following:

- Q. 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 advantaged, as well as those from urbanized and populated areas; Phoenix, Mesa, Glendale, Tempe, and Tucson.**
- A.** ADOH is targeting paid marketing and outreach efforts to low income, high minority, and rural communities throughout the State. Additionally, ADOH is contracting 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 marketing and outreach efforts are concentrated. Alternative methods of applying for those residents without devices, connections, technical expertise, or disability assistance include: smart phones, tablets, PCs, paper applications, a call center, and in-person assistance by contracted local agencies.
- Q. 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.
- Q. 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 has some Agencies on contract now and is actively contracting with new agencies that are not already working with the Department. All these agencies will provide outreach efforts, housing counseling, and application assistance for the HAF program. Agencies participating in HAF will be paid from either the NeighborWorks Grant or the HAF Program, depending on the agency and its current contract status. ADOH will pay Agencies for costs related to outreach events, application assistance, housing counseling, and follow up work.
- Q. How/where do we find “high minority and low income communities” parameters?**
- A.** ADOH is using census tract information to identify high minority communities and the Mortgage nonpayment’s by State tool on the website for the Federal Reserve Bank of Atlanta: <https://www.atlantafed.org/center-for-housing-and-policy/data-and-tools/mortgage-analytics-and-performance-dashboard> to identify counties with high 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.

Q. 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. ADOH provides an alternative identification process for applicants with no social security number or government ID. All other applicants are required to use the ID.me system. The ID.me system is an anti-fraud identification system that has been extensively used by the Arizona Department of Economic Security for unemployment benefits and emergency rental assistance applications. Applicants who experience difficulty with ID.me can get assistance via the ID.me website, the HAF call center, and/or a contracted Housing Counseling or Community Action Agency. Since Arizona's HAF pilot opened on November 1, 2021, 91% of applicants were able to complete the ID.me process with no assistance. Based on that, ADOH anticipates that few applicants will have trouble with ID.me and those that do will have enough assistance from the website, call center, and contracted Agencies that they will be able to complete the ID.me process successfully. We will consider other methods of identity verification if ID.me becomes problematic.

Program Design

The homeowner needs in Arizona, just for mortgage delinquency alone, greatly exceed the amount of HAF funding allocated. However, jobs are coming back and unemployment numbers are dropping, so homeowners have a brighter outlook for their future financial stability. With this in mind, ADOH used its experience with the HHF program as well as the State's recent experience with Emergency Rental Assistance to design a program that will be easy to apply for, preventing foreclosures, preventing utility shut-offs, and place the homeowners in a solid financial position. HAF funding will be used for Reinstatement, Utility/Internet, Monthly Mortgage, Delinquent Property Tax, Association Fee/Lien assistance, Housing Counseling, and application assistance. Budgets for each program were based on bank reported average mortgage delinquencies and the State's experience with average utility delinquencies in the Rental Assistance Program. These were combined to arrive at a maximum assistance amount per household and a maximum monthly assistance amount for fraud prevention. To expand the reach of HAF, agencies assisting with HAF applicants are encouraged to review all mortgage loss mitigation options prior to the client applying for HAF.

Performance Descriptions

Arizona Homeowner Assistance Fund (AZHAF) - Overview

The Arizona Homeowner Assistance Fund (AZHAF) will provide up to \$25,000 per household to eliminate or reduce housing cost delinquency. The \$25,000 per household amount was based on a 12-month average mortgage payment (\$1,300) for mortgage reinstatement, 12 months of delinquent utilities, and 3 months of mortgage payments going forward. This estimate is consistent with one of our largest lenders reporting an average of 9 months delinquent and \$11,000 in arrears per household as of August 2021. ADOH through its contracted third party will make payments directly to the mortgagor, loan servicer, escrow company, and/or other housing provider. These assistance funds will be in a form of a grant and will not have to be paid back. **ADOH anticipates allocating \$180,000,000 to provide direct assistance to low income homeowners.**

Assistance types will be applied in order as shown below:

Eligible Mortgage Types

- First Mortgages
- Second Mortgages
- Reverse Mortgages (secured by real estate or a dwelling / permanently affixed to real property and taxed as real estate).
- Loans Secured by Manufactured Housing (secured by real estate or a dwelling / permanently affixed to real property and taxed as real estate).
- Contracts for Deed or Land Contract (if it is a credit transaction secured by a consensual security interest in the dwelling)

Eligible Housing Costs / Assistance Types

1. Reinstatement Assistance Payment (RA)

Reinstatement Assistance will allow a homeowner to reinstate a mortgage up to 12 months in delinquency or to pay other housing-related costs related to a period of forbearance, delinquency, or default. Remaining funding can be used for monthly mortgage payment assistance outside of reinstatement. **ADOH anticipates allocating \$111,200,000 to Reinstatement Assistance.**

Insurance Assistance Payment (Homeowners, Flood, and/or Mortgage)

Insurance Payment Assistance will allow payment assistance for homeowner's insurance, flood insurance, and/or mortgage insurance. Payment assistance will provide up to (1) annual homeowner's insurance premium to assist homeowners maintain housing stability. This will apply when insurance fees are not escrowed into the homeowner's monthly mortgage payment. **ADOH anticipates allocating \$3,000,000.00 to Insurance Assistance.**

2. Utility / Internet / Broadband Assistance Payment (UI)

Utility / Internet / Broadband Payment Assistance will allow payment assistance for homeowner's utilities, including electric, gas, home energy, and water and payment assistance for homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b);

The Utility / Internet Assistance Payment will provide payment assistance on delinquent utility payments directly to utility providers. Utilities included are electric, gas, home energy and water in addition to internet. **ADOH anticipates allocating \$18,000,000 to Utility/Internet Assistance.**

3. Monthly Mortgage Assistance Payment (MM)

Mortgage Payment Assistance will allow a homeowner up to three (3) additional months outside of reinstatement assistance of monthly mortgage payments if not all funds are expended with the above payment assistance that will be provided. **ADOH anticipates allocating \$29,800,000 to Monthly Mortgage Assistance.**

Other Eligible Housing Costs / Assistance Types

1. Delinquent Property Tax Assistance Payment (DPT)

Delinquent Property Tax Payment Assistance will allow taxes up to three (3) years / six (6) installments of delinquent property tax payment assistance for delinquent property to prevent homeowner from tax foreclosures. This will apply when these property tax fees are not escrowed into the homeowner's monthly mortgage payment and when there are property tax delinquencies directly related to applicants with Reverse Mortgages. **ADOH anticipates allocating \$9,000,000 to Delinquent Property Tax Assistance.**

2. Association Fees & Lien Assistance Payment (AFL)

Association Fee & Lien Assistance will allow payment assistance of one (1) annual premium for homeowner's association fees or liens, condominium association fees, or common charges. This will apply when association and/or lien fees are delinquent enough that there is a risk of displacement of an eligible homeowner.

Homeowner Association liens or fees, Condominium Association liens or fees, common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development may be determined to be an eligible housing cost if there is a risk of displacement of an eligible homeowner. **ADOH anticipates allocating \$9,000,000 to Association Fees & Lien Assistance.**

Housing Counseling and Application Assistance

ADOH understands that HAF funds are to be used to supplement other loss-mitigation efforts and it is encouraged that participants avoid using HAF funds in a manner that replaces other loss-mitigation resources that would otherwise be available. In June 2021, ADOH made application for Housing Stability Counseling Program (HSCP) funds through NeighborWorks America (NeighborWorks) and was awarded \$273,600 in counseling funds to provide homeowners housing counseling services that would benefit their loss mitigation efforts outside of HAF funds. ADOH plans to leverage resources available through its HSCP grant for its loss mitigation process to benefit eligible homeowners through this funding. Clients must self-certify that they are currently facing housing instability through one of the three contracted Housing Counseling Agencies (HCA/Sub Grantees). Through the HCA standard intake processes and evaluation on a case-by-case basis ADOH anticipates that an eligible application will be able to explore options through loss mitigation efforts prior to making application for HAF funding when working with HCAs.

In addition to the NeighborWorks HSCP funding, ADOH has allocated HAF funding to Housing Counseling Agencies and Community Action Agencies (Housing Partners) through a Solicited Request for Qualifications (RFQ) (Solicitation No. 2022-01). ADOH will require assistance from these Housing Partners to provide direct outreach and homeowner application assistance for the HAF program. Currently, ADOH has issued eleven (11) contract award letters to Housing Partners for assistance with the HAF program. Below is a description of various aspects of program tasks and deliverables which the selected Housing Partners will be required to provide.

Outreach. Housing Partners to provide direct outreach to the most at-risk community members, including those in high minority census tracts, low income communities, and rural Arizona communities. Direct outreach can include phone calls, in-person meetings, and events.

Homeowners without access to the Internet. With respect to homeowners who do not have access to the internet, Housing Partners will be required to complete the web application on behalf of interested homeowners. This may require a meeting with the homeowner or may be completed over the telephone. Based on the results of the pre-screening filter, the Housing Partner will assist to move the homeowner along in the process for financial assistance for those who appear to be qualified for assistance.

Potentially eligible homeowners without a Social Security Number. With respect to homeowners who appear to be potentially eligible for financial assistance based on their attempted submission of a completed application through the website, but do not have a social security number to go through the initial ID.me process to validate their identity, Housing Partners will assist the homeowner in completing a paper application and fax (to be provided) such applications with all required documentation to Maximus Human Services, Inc.

HAF Program Portal. With respect to the program portal, Housing Partners are required to assist homeowners with completion of the online application and select their corresponding Agency name while moving through the application process to show they assisted in the application completion. This is necessary for compensation to Housing Partners in this program.

Follow Up Assistance. Follow-up on incomplete or denied applications.

Eligibility Requirements

Homeowners are eligible to receive funding under the AZHAF if they:

- (1) Attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 pandemic;
- (2) Provide income documentation and are found to be at or below 150% of Area Median Income (AMI) for their location; and
- (3) Currently own and occupy a primary residence in Arizona (*the applicant must own and occupy the property that is seeking assistance*).

Eligible properties include single-family residential properties, 1-4 unit condominiums and townhomes (where one of the units must be occupied by the owner), resident member/shareholder in a cooperative housing development and manufactured homes permanently affixed to real property and taxed as real estate.

Income Determination

ADOH will use adjusted gross income as defined for purposes of reporting on Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

ADOH's income determination approach will be based on documentation submitted and uploaded (tax returns, bank statements, pay stubs, etc.) with an attestation as to household income. If the applicant has not filed taxes for the previous year or does not have access to tax documents, they will be given an option to provide a written attestation as to household income, and upload documentation of income such as paystubs, W-2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer. In addition, the application portal designates priority levels for attested household incomes during the application process and performs a fact-specific proxy for household income, providing households below 100% of AMI high priority for adjudication and those households at 150% low priority.

Waivers and/or exceptions may be provided to accommodate extenuating circumstances, such as disabilities, practical challenges related to the pandemic, or a lack of technological access by homeowners.

Intended Impact on Eligible Homeowners

The intended impact of AZHAF is eliminating or reducing past due housing payments and other housing related costs, while helping avoid foreclosure, alleviating the burden of delinquency, while ultimately maintaining homeownership. It is projected that AZHAF may assist up to 15,000 unduplicated households to prevent foreclosure in the next 24 months.

Application Process / Equity and Accessibility

Applicants will apply through an online portal created by ADOH's contracted vendor, Speridian Technologies. Applications will be offered in English and Spanish. Paper applications are available upon request as is personal assistance in completing applications. ADOH has collaborated with local Housing Counseling Agencies, Community Action Organizations, and Maximus Inc. These partnerships will provide additional options and opportunities for homeowners who require assistance filling out and submitting applications while also directly targeting and serving vulnerable populations. The portal is 508 ADA compliant and makes it easier for applicants with physical disabilities to apply online.

Homeowners will be given the ability in the online application 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 online application will also provide the ability for applicants to upload documentation required for the program such as IRS 1040 Form, W-2, Pay stubs, mortgage statements, Tax statements for property fees, HOA Statements and Utility bills.

Conditions and Limitations

Funding will be limited to \$25,000 per household to reinstate delinquent mortgage payments up to 12 months, cure any other eligible housing costs, and provide an additional 3 months of monthly mortgage assistance after eligible delinquencies are cured. Total monthly mortgage and utility assistance is limited to \$3,500 per month. Per guidelines, 60% of funds will be set aside for the homeowners having incomes equal or less than 100% of AMI or less than 100% of the median income for the United States, whichever is greater, and 40% of funds will be available for 150% of AMI and below and will be prioritized for those who are socially disadvantaged. Although ADOH has created its HAF plan to be available to individuals who are at or below 150% AMI, it intends to prioritize assistance to Socially Disadvantaged Individuals by establishing prioritization within the application intake system where adjudication priority will be given to those households that are at or below 100% AMI.

Payment Assistance is limited to include up to three (3) years of delinquent property taxes and/or up to one (1) annual homeowner's insurance premium to assist homeowners maintain housing stability. Homeowner Association liens or fees, Condominium Association liens or fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development may be determined to be an eligible housing cost if there is a risk of displacement of an eligible homeowner.

Payment assistance for multiple eligible housing costs per household award shall not exceed \$25,000.00.

Home Equity Line of Credit (HELOC) loans are ineligible.

Homeowners in active bankruptcy may be eligible. Homeowners who previously filed for bankruptcy but are no longer in bankruptcy must provide proof of court ordered "discharge" or "dismissal". Waivers and/or exceptions may be provided to accommodate extenuating circumstances, such as disabilities, practical challenges related to the pandemic, or a lack of technological access by homeowners if such documents are inaccessible.

Payment Process

ADOH through its contracted third party will initiate the disbursement process of HAF assistance obtaining required assistance information directly from its case management portal through a general accounting expense document (GAX). This file will be transmitted to ADOH's accounting department where it will be reviewed and processed through the Arizona Financial Information System (AFIS), the official accounting system and record keeping system of the State for fiscal information. Payments will be made directly to the mortgage lender/servicer, manufactured/mobile home lender, county treasurer or local taxing authority, utility companies, and/or condominium/homeowners' association through the State of Arizona's General Accounting Office (GAO) via check or electronic funds transfer. ACH transfers will be the preferred method of payment.

Methods for Targeting HAF Funding

To ensure participation by households with the greatest needs, ADOH will target HAF outreach, marketing, and personal assistance to low income, high minority, and rural communities in the State. A local public relations firm, Lavidge, was engaged to determine the best methods of advertising and outreach to Arizona's rural, low income, and minority communities. Based on Lavidge's research and expertise, paid media outreach will include statewide and hyper local radio spots, Spanish-speaking radio, Pandora radio, and all local newspapers outside Maricopa and Pima Counties. This will be in addition to the free press we will receive with press releases, local television news stories, and media interviews of the Director. Lastly, Lavidge will produce flyers in English and Spanish to post at local jurisdictional offices, State Motor Vehicle Department and Department of Economic Security offices as well as local community centers, churches, and grocery stores.

Targeting Outreach and Easy Homeowner Accessibility

ADOH's HAF marketing campaign is designed to raise awareness among target audiences regarding the support available to Arizonans to avoid foreclosure on their home, providing clear guidance on eligibility requirements and the application process. The campaign will target marketing and outreach efforts to reach communities experiencing higher than average rates of mortgage forbearance and delinquencies, driven by data, research, and local insight. Targeted outreach includes a focus on reaching Hispanic, Spanish-dominant, and rural homeowners in the state representing large segments of Arizona's population, all experiencing high rates of mortgage forbearance, and traditionally needing more robust outreach compared with urban and English-dominant households.

The marketing campaign prioritizes reaching audiences and regions with known by ADOH to need support from HAF and marketing strategies are based on this information along with a thorough evaluation of demographic data and housing/financial reporting from the Federal Reserve. Considering the state's large Hispanic population and substantial number of Spanish language-dominant households, the campaign content is fully bilingual in English and Spanish, and strategies include media placements with English and Spanish media. All creative content (i.e. radio and print advertisements) for deployment on Spanish media were developed by a professional linguist utilizing Spanish terminology commonly used in the region. Further, the recommended media plan is based on media consumption trends of the defined target audiences and within the respective geographic region, maximizing reach and message frequency.

Marketing communications and community outreach efforts promoting HAF will drive potential applicants to the ADOH HAF website and/or the support hotline where information regarding eligibility and the application process will be available in both English and Spanish. Public relations efforts with English and Spanish media, community partnerships, and in-person outreach efforts will complement the paid media campaign and increase awareness of the support available from HAF among target audiences.

Culturally Relevant Marketing

ADOH's HAF marketing campaign prioritizes development of culturally relevant information that is accessible and resonates statewide, providing clear guidance on eligibility and the application process. All advertising and promotional content was trans created from English to Spanish, ensuring all Spanish language content is not based on a simple translation but rather developed to resonate with the majority of Spanish-dominant Arizonans considering regional terminology, relevant cultural nuances, and even using local voices for radio advertisements. In addition to the considerations for Spanish-dominant Arizonans the level of connectivity in rural communities was considered, resulting in the inclusion of a support hotline providing information and application support to potential HAF applicants in English and Spanish.

Demographic data and media consumption trends among defined target audiences guided the development of the paid media plan within the defined budget. Further, audience size and local insights helped to ensure that content is deployed with media with the greatest reach in communities statewide. As an example, Pandora is included as a medium for paid advertising to promote HAF among Hispanic audiences, as it is the most frequently used digital streaming platform for music among this audience regardless of language dominance. Another example is local newspapers and community newsletters. These are regularly read and trusted sources of news in Arizona's rural communities. ADOH will have paid advertisements and will actively seek endorsements and stories to encourage HAF applications.

Collaboration

Through the HAF planning process and during previous Treasury-funded programs ADOH formed relationships with mortgage servicers as well as local service agencies that will provide an advantage to the required target populations. ADOH will collaborate with local Community Action Organizations, Housing Counseling Agencies, and other local jurisdiction organizations to focus on reaching the targeted populations based on income, race and ethnicity demographics, and/or geographic areas including those rural communities in greater need as required by the U.S. Department of Treasury. The contracted Agencies will provide assistance to known households already seeking State and Federal assistance, education services, financial management, and job attainment assistance. Additionally, these partners will host local HAF outreach events to communicate about the program and provide personal assistance with applications. Through these contracts, personal assistance with applications will be available to all applicants who request assistance, with appropriate accommodations made for those with disabilities, technology, or other issues that may adversely affect their ability to apply for HAF.

Mortgage servicers will be contacted regularly and updated with current status of the program. ADOH will request they include program information via referrals from call centers and printed on monthly mortgage statements to provide a wide outreach to all State homeowners. ADOH will make the same request of State wide utility companies including local jurisdiction water and public service bills.

The plan will effectively target homeowners with:

1. Incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater where 60% of the funding will be set aside for those households; and
2. Socially disadvantaged individuals, as required by the U.S. Department of Treasury.

Treasury definition "Socially disadvantaged individuals are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the HAF participant's jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment under this definition may include being a (1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society, (2) resident of a majority-minority Census tract; (3) individual with limited English proficiency; (4) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or (5) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with a process developed by a HAF participant for determining whether a homeowner is a socially

disadvantaged individual in accordance with applicable law, which may reasonably rely on self-attestations.”

As described above, targeting includes paid advertising and marketing, direct outreach, and personal assistance for rural, low income, and high minority population communities. All information and applications will be translated into Spanish and the call center will be staffed with Spanish speakers. In addition, media and outreach materials will be translated into Spanish to focus on minority communities where Spanish is predominately spoken in the household. Outreach materials will also be translated into other languages as determined by further research and requested by contracted agencies, community organizations, or residents.

Best Practices and Coordination with Other HAF Participants

ADOH referred to the National Council of State Housing Agencies (“NCSHA”) when taking account for best practices and coordination with other HAF participants. NCSHA provided a memorandum titled “Best Practices in HFA Mortgage Program Designs: Lessons Learned from HHF and CRF” this resource was an excellent collaboration between the states sharing their biggest challenges while administering HHF funds. The top three challenges were staffing, securing servicer participation, and acquiring and integrating the right computer software and information technology for the program. These three challenges existed for Arizona while administering HHF funding, and in addition to having firsthand knowledge of the setbacks the source was a great outlook on how other states shared the same disadvantages.

The following requirements were a top priority for ADOH while developing the HAF plan and researching other HAF participants and their previous program setbacks.

1. **Begin assistance with Reinstatement of delinquency** followed by covering overdue housing related expenses; this approach would provide homeowners with a better position to work through other non-housing delinquencies while their housing delinquency is relinquished.
2. **Simple documentation requirements** and the development of clear program guidance that are similar to the guidance of other HFAs.
3. **Structure HAF assistance to be in the form of a Grant** and not a loan. Several states shared that grant structured assistance would be more effective and require less documentation and paperwork.
4. **Established infrastructure before program rollout** – the need to start administering the funds can become a number one priority for agencies. But if staffing and systems are not in place and state programs feel they can just plan as the time goes by this can cause all parties to become overwhelmed. States can find themselves overwhelmed with applications while homeowners seek assistance and become frustrated in delays with technical programs and lack of development.
5. **Outsource program as a whole.**

ADOH also reviewed available State HAF plans, websites, and program information prior to finalizing our HAF plan to gather ideas and ensure consistency in our implementation. In addition to the above, there have been discussions with Fannie Mae, other mortgage servicers, and Housing Counseling Agencies, that emphasized reinstatements as a priority for HAF.

Other Available Sources of Assistance for Targeted Homeowners

As of this date, AZHAF will be the only program in the State that is providing a comprehensive Mortgage Assistance Program to reduce delinquency and prevent foreclosures for Arizona homeowners on non-tribal land.

Performance Goals

ADOH plans to communicate its performance to the public by publishing a real-time dashboard to its application portal (<https://haf.azhousing.gov/>) as well as the Department’s website (<https://housing.az.gov/>). The information will come directly from the Financial Assistance Management System (FAMS) portal and would include the following data points:

1. Total Submitted Applications
2. Program Approval for Submitted Applications
3. Assistance Disbursed – Total and by Program
4. Breakdown of Homeowner Applications by County (Map)
5. Breakdown of Homeowner Assistance by County (Chart)

Overall Metrics		
AZ Homeowner Assistance Fund (AZHAF)	Successfully administer funding to targeted vulnerable groups while assisting homeowners maintain housing stability.	Program Types/Components: <ol style="list-style-type: none"> 1. Reinstatement Assistance Payment (RA) 2. Utility / Internet Assistance Payment (UI) 3. Monthly Mortgage Assistance Payment (MM) Other eligible housing costs: <ol style="list-style-type: none"> 1. Delinquent Property Tax Assistance Payment (DPT) 2. Association Fees & Lien Assistance Payment (AFL)
	Targeting Vulnerable Groups	Track and prioritize applications submitted by race/ethnicity of head of household. Track and prioritize applications submitted by income level (150% AMI). Track and prioritize applications submitted by geographic area.
	Reducing Mortgage Delinquencies	Applications approved and funded by race/ethnicity of head of household
Program	Metric of Success	Goal <i>(see chart below for information associated with numbers referenced – these are estimations and are subject to change)</i>
Reinstatement Assistance (RA)	Avoid home losses due mortgage delinquency.	Prevent 6,600 home losses within 24 months; Targeting Vulnerable Groups; and Cure Mortgage Delinquencies
Housing Counseling (HC)	Address mortgage delinquencies via other loss mitigation measures	Prevent 1,000 home losses without the use of HAF for mortgage delinquencies
Utility / Internet Assistance (UI)	Avoid utility/internet service disconnections.	Prevent 4,600 households from utility/internet disconnection within 24 months; Targeting Vulnerable Groups; and Reducing Mortgage Delinquencies
Monthly Mortgage Assistance (MM)	Further assist households in addition to the 12-month delinquencies previously paid.	Allow 7,100 households additional funding to regain stability within 24 months; Targeting Vulnerable Groups; and Preventing Further Mortgage Delinquencies
Other Eligible Assistance: (if household assistance amount has not yet expended under RA, UI, MM)		
Delinquent Property Tax Assistance (DPT)	Avoid tax-related delinquencies at risk of displacement.	Prevent 200 homes from falling into tax foreclosure within 24 months; Targeting Vulnerable Groups; and Reducing Property Tax Delinquencies
Association Fees & Lien Assistance (AFL)	Avoid home loss due to delinquent association fees & lien delinquencies.	Prevent 1,250 homes from falling into foreclosure within 24 months; Targeting Vulnerable Groups; and Reducing Mortgage Delinquencies

The three metrics that will serve as the best indicator of success are:

- Number of home losses prevented
- Number of utility disconnections prevented
- Percentage of total assistance provided to low income (<= 100% AMI) minority households

Performance Goals Breakdown

		Avg Mo. Pmt	# of Assistance Pmts (mo)	Assistance per Component	Total Allocation	Potential HH Assisted (24 mo)
Mortgage Assistance includes:						
	Reinstatement fees	\$ 1,394	12	16,728	\$ 111,200,000	6,648
	Mortgage payments	\$ 1,394	3	4,182	\$ 29,800,000	7,126
	Insurance- home, flood, mortgage	\$ 258	12	3,100	\$ 3,000,000	968
	<i>Homeowner's Insurance (annual)</i>	1,453				
	<i>Flood Insurance (annual)</i>	720				
	<i>Mortgage Insurance (annual)</i>	927				
	Association fees	\$ 200	36	7,200	\$ 9,000,000	1,250
	Property taxes	\$ 1,356	36	48,816	\$ 9,000,000	184
Utility Assistance		\$ 323	12	3,873	\$ 18,000,000	4,648
	<i>Electric</i>	114				
	<i>Gas</i>	63				
	<i>Water</i>	71				
	<i>Garbage</i>	14				
	<i>Internet</i>	60				
Housing Counseling Agency						
	Housing Counseling	<i>preventing home losses without the use of HAF for mortgage delinquencie</i>				1,000

Sources:

- Mortgage Payment (PITI)** <https://www.businessinsider.com/personal-finance/average-mortgage-payment>
This figure includes a mortgage payment, as well as insurance costs, property taxes, utilities, and HOA fees where necessary.
- Homeowner's Insurance** <https://quotewizard.com/home-insurance/average-cost-of-homeowners-insurance>
- Flood Insurance** <https://quotewizard.com/home-insurance/average-cost-of-flood-insurance>
- Mortgage Insurance** <https://quotewizard.com/home-insurance/arizona>
- Association Fees** <https://www.investopedia.com/terms/h/homeowners-association-fee-hoa.asp>
Up to 3 years of Association Fees
- Utility Costs** <https://www.move.org/utility-bills-101/>

Readiness

ADOH has extensive and relevant experience in delivering federally funded housing assistance to Arizonians through the administration of U.S. Treasury's Hardest Hit Fund and other programs. Through the support of ADOH's contractors, network of Housing Counseling Agencies and Community Action Organizations. ADOH has implemented an application pilot program where assistance applications are currently being collected; this implementation began on November 1, 2021. ADOH's considerable experience, successful application intake, and readiness for implementation makes Arizona prepared to launch and deliver its program immediately upon approval from the U.S. Department of Treasury.

ADOH assessed the following subsections as assurance of its ability to effectively deliver and administer the proposed programs.

- **Oversight resources and program management** – ADOH staff and contractors, are currently in place.
 - Executed Task Orders are in place for all contractors
 - ✓ Speridian Technologies;
 - ✓ Maximus; and
 - ✓ ID.me
- **Contractor staffing availability and ramp up**
 - Maximus
 - ✓ Customer Service Representatives (20) are actively answering phone calls through its designated call center.
 - ✓ Case Management Adjudicators (20) are continually trained and have begun reviewing applications as of November 18, 2021.
 - Speridian Technologies
 - ✓ Ready and available with changes and implementations for all partners involved.
- **Policies and procedures documentation** - written, continually reviewed, and updated.
 - ADOH and its Contractors are collectively and continually reviewing and editing;
 - Customer Service Representative Scripts are written and implemented;
 - Customer Service Representative Adjudicator's job duties and descriptions have been written and implemented.
- **System configuration and preparedness, including reporting requirements** – ADOH staff and contractors.
 - Approximately 11 reports have been created and being actively used by ADOH staff and contractors.
 - ADOH staff and contractors will continue to create reports as different needs arise.
- **Program rollout schedule, dependencies and implementation milestones** – developed in conjunction with contractors and partners. Application portal launched occurred on November 1, 2021 and to date has seen 1722 applications submitted.
- **Identify risks and possible impact to program goals and timeline** – completed by ADOH with assistance from State Department of Administration.

Incorporating HHF Experience

ADOH's implementation of HAF will significantly differ from the HHF program. ADOH will use successful HHF policies and procedures as a framework and will revise and update accordingly for the HAF program. In a key difference from HHF, ADOH will be using an online application and payment system to streamline processes and deliver HAF assistance quickly. Additionally, ADOH will be using templates and implementing procedures that have been developed collaboratively for HAF by the National Council of State Housing Agencies (NCSHA) and mortgage servicers.

As previously stated under "Best Practices and Coordination with Other HAF Participants". The plan for improvement and clearly taking note of HHF challenges were top priority for ADOH while developing the HAF plan. The following were taken into consideration while comparing HAF distribution to HHF distribution.

1. Begin assistance with Reinstatement of delinquency;
2. Simple documentation requirements;
3. Structure HAF assistance to be in the form of a Grant;
4. Established infrastructure before program rollout; and
5. Outsource program as a whole.

Over the course of the last ten (10) years ADOH has administered \$303,278,099.00 in funds for the U.S. Department of Treasury's Hardest Hit Funds program; these federal funds were used to assist with foreclosure prevention & down payment assistance programs. ADOH complied with all of the U.S. Department of Treasury's requirements and in the course of the program, ADOH assisted a total of 11,689 homeowners facing foreclosure through principal reduction, second mortgage settlement, reinstatement / unemployment / underemployment assistance, short sale assistance, and down payment assistance. A total of \$269,707,494.00 dollars were committed through Hardest Hit Funding to assist these homeowners and provided housing and market stability. The breakdown of homeowner assistance for the total dollars committed to Hardest Hit Funds is as follows:

HHF Budget and Commitments Analysis, as of June 30, 2021

Component	Budgeted	Committed
Principal Reduction Assistance	\$ 88,846,080	\$ 91,569,810
Second Mortgage Settlements	\$ 12,803,697	\$ 12,461,113
Under/Unemployment/Reinstatement Mortgage Assistance	\$ 70,239,398	\$ 70,321,317
Short Sale Assistance	\$ 1,011,877	\$ 934,365
Down Payment Assistance	\$ 86,465,923	\$ 94,420,889
Program Budget	\$ 259,366,975	\$ 269,707,494
Administration/Counseling/Partners Support	\$ 36,779,745	\$ 33,570,605
Total Budget	\$ 296,146,720	\$ 303,278,099

Staffing and Systems

ADOH will contract with Speridian Technologies and use the same platform as Arizona's Emergency Rental Assistance Program (ERAP) for administering the HAF program. Speridian Technologies will provide its technology solution Financial Aid Management System (FAMS) to ADOH and its partners for managing various aspects of the program as listed below. FAMS solution is already deployed at the Arizona Department of Economic Security (DES) for managing the Emergency Rental Assistance Program (ERAP). FAMS solution is configured to meet all requirements of HAF program and is being deployed in multiple HAF agencies across the US along with Arizona.

1. Microsite for the program awareness with content such as general program rules, pre-screening, frequently asked questions, and resources.
2. Multi-lingual and mobile friendly application Intake for online applications.
3. Case Management Portal for phone and paper application intake, managing application and case processing, program eligibility, case adjudication and payment disbursements.
4. Management of Service providers such as Mortgage companies, HOAs, Utility providers and Insurance companies. It also provides integration with service providers via Common Data File (CDF).
5. Reporting and Analytics component for generating Treasury and State reports.

Contracts and Partnerships

The primary partnerships to implement Arizona's HAF allocation are the AZ Department of Housing, Speridian Technologies, Maximus, the Arizona Department of Economic Security (DES), and the Arizona Health Care Cost Containment System (AHCCCS).

Speridian Technologies will provide and manage an online application and payment program, the Financial Assistance Management System (FAMS). Maximus will provide call center and case management representatives to oversee application intake and case management/adjudication services. ADOH will continually work closely with DES to leverage their experience with the ERAP program to learn from their successes and setbacks while sharing information and solutions for program enhancement. ADOH will be the oversight entity for the two contracts and will be responsible for the overall performance of the program.

Throughout the course of the planning process and during previous Treasury-funded programs ADOH has formed relationships with mortgage servicers as well as agencies that will provide services under HAF funding such as Community Action Organizations, Housing Counseling organizations, and other jurisdictions in the State assisting homeowners. Finally, the State has established relationships with utility providers during the implementation of its Emergency Rental Assistance Program (ERAP). ADOH will use the same contracted partner that formed the ERAP infrastructure to remit assistance for approved applicants to utility providers. In addition, ADOH will continue to collaborate with other State departments, DES and AHCCCS, to coordinate and leverage assistance as well as reduce the opportunity for fraud.

ADOH understands that maintaining good relationships with mortgage servicers will be critical to the successful implementation of the HAF Program. To this end, ADOH participated in weekly National Council of State Housing Agency (NCSHA) HAF calls, as well as met with Fannie Mae reps to understand the concerns of the servicers and plan our implementation. ADOH is prioritizing reinstatements, as requested by the mortgage servicers. Reinstatements will be a quick process whereby the homeowner applies for assistance, the servicer confirms the forbearance amount, and payment is processed. Similar streamlining efforts for other assistance will be implemented to reduce the need for time-consuming negotiations so funds can be disbursed efficiently and effectively. In addition, ADOH will maintain consistency and positive relationships by using agreement templates developed by the NCSHA collaboration and approved by servicers. ADOH is committed to continuing

to participate in the collaborations, communicating with mortgage servicers, and will adjust processes at any time if needed.

Existing Pilot Program

ADOH has implemented a pilot program where applications for assistance are currently being collected; this implementation began on November 1, 2021. All but one Arizona County has at least one application submitted. It was anticipated that Greenlee County also known as the Morenci Mining District, would receive very few if no applications for assistance because the majority of the land is government owned. The Forest Service controls 63.5 percent; the Bureau of Land Management controls 13.6 percent; the State of Arizona controls 14.8; and individual or corporate ownership is 8.1 percent. To date ADOH has drawn down a total of \$4,480,432.97 of the initial 10% payment disbursed to the Department and holds a balance of \$15,218,000.93.

- HAF application intake portal is live (as of 11/01/2021)
 - Application Intake Dashboard numbers reported as of 11/23/2021:
 - ✓ 1722 Applications Submitted
 - ✓ 1780 Applications In Process

Budget

The U.S. Department of Treasury allocated \$196,984,339 to Arizona under the Homeowner Assistance Fund. ADOH will make every effort to disburse the funding quickly, within 24 months, to prevent imminent foreclosures. The Arizona Department of Housing is proposing that the allocation be applied as follows:

Homeowner Assistance Fund Program Working Budget				
Administration	Year 1	Year 2	Year 3	Grand Total
ADOH Staff	391,000	391,000	391,000	1,173,000
Vendor Contracts	6,568,524	4,237,320	847,580	11,653,424
Housing Counseling Contracts	1,000,000	1,000,000		2,000,000
Community Engagement - media cost	569,000	300,000		869,000
Contingency (year 3 to complete program)			1,288,915	1,288,915
Total Administration	8,528,524	5,928,320	2,527,495	16,984,339
Program				
Mortgage Assistance includes:				
Monthly Mortgage Assistance	6,825,000	13,650,000	9,325,000	29,800,000
Reinstatement Assistance	27,800,000	55,600,000	27,800,000	111,200,000
Insurance Assistance (HO, Flood, PMI)	750,000	1,500,000	750,000	3,000,000
Association Fees & Lien Assistance	2,250,000	4,500,000	2,250,000	9,000,000
Delinquent Property Tax Assistance	2,250,000	4,500,000	2,250,000	9,000,000
Utility/Internet Assistance	4,500,000	9,000,000	4,500,000	18,000,000
Total Program	44,375,000	88,750,000	46,875,000	180,000,000
Grand Total	52,903,524	94,678,320	49,402,495	196,984,339

Reinstatement (RA) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Provide funds to cover mortgage reinstatement to allow a homeowner reinstate a mortgage up to 12 months in delinquency and/or to pay other housing-related costs related to a period of forbearance, delinquency, or default.</p> <p>Component will include Insurance Assistance Payment (homeowners, flood, and/or mortgage). HAF Funds may be used to pay homeowner's insurance, flood insurance, and/or mortgage insurance that are not included in the homeowner's monthly mortgage payment.</p> <ul style="list-style-type: none"> ▪ Payment assistance for insurances will provide up to (1) annual homeowner's insurance premium to assist homeowners maintain housing stability. ▪ This will apply when these property tax fees are not escrowed into the homeowner's monthly mortgage payment.
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum monthly assistance across all programs of \$3,500 ▪ Maximum \$25,000 per household <p>Mortgage Reinstatement (RA):</p> <ul style="list-style-type: none"> ▪ Maximum number of past due mortgage payments to be rescued is 12, which allows for an additional 3 months of monthly mortgage payment assistance outside of reinstatement. <p>Insurance Assistance Payment (Homeowners, Flood, and/or Mortgage):</p> <ul style="list-style-type: none"> ▪ Up to (1) annual homeowner's insurance premium to assist homeowners maintain housing stability. <ul style="list-style-type: none"> – A Reverse Mortgage may be brought current for property charges, which include, property taxes, homeowners hazard insurance premiums, flood insurance premiums, condominium fees, and homeowners' association fees. ▪ This will apply when these fees are not escrowed into the homeowner's monthly mortgage payment.
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Eligibility Requirements Across All Programs plus</p> <p>Homeowners are eligible to receive funding under if they</p> <ol style="list-style-type: none"> 1. Attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 pandemic, 2. Provide income documentation and are found to be at or below 150% of Arizona's Area Median Income (AMI), and 3. Currently own and occupy a primary residence in Arizona (<i>the applicant must own and occupy the property that is seeking assistance</i>). <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Proof of identity, which may include a photo identification or other means of identification through id.me ▪ Deed or Proof of Ownership ▪ Proof of Income <ul style="list-style-type: none"> • Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer ▪ Documentation or written explanation of financial hardship due to COVID-19. ▪ Mortgage Documents ▪ Third Party Authorization (for Servicer CDF Exchange)
<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least one payment, including any payments during a forbearance period.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Payments will be made directly to the lender or servicer via electronic funds transfer.

Utility / Internet / Broadband (UI) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Provide funds to resolve delinquent payments for utility and/or internet access services. Utility / Internet Payment Assistance will allow payment assistance for homeowner's utilities, including electric, gas, home energy, and water and payment assistance for homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b);</p> <p>HAF funds may be used to pay delinquent amounts in full under circumstances in which a delinquency threatens access to utility or internet services. The provided assistance must bring the homeowner's account current.</p> <p>Funds may be used to pay prospective charges for up to the first 90 days following approval if the homeowner is unable to make such payments and</p> <ol style="list-style-type: none"> 1. Funds are not available from other utility assistance programs to cover these amounts;
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum monthly assistance across all programs of \$3,500 ▪ Maximum \$25,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Eligibility Requirements Across All Programs plus:</p> <ul style="list-style-type: none"> ▪ Homeowner is at least one installment payment in arrears on one or more of the following: utilities, such as electric, gas, garbage, home energy, and water or internet service, including broadband internet access service. ▪ Assistance sufficient to resolve the delinquency is not available from other utility assistance programs and, without HAF assistance, the homeowner is likely to lose services <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Proof of identity, which may include a photo identification or other means of identification through id.me ▪ Deed or Proof of Ownership ▪ Proof of Income <ul style="list-style-type: none"> • Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer ▪ Attestation of financial hardship due to COVID-19. ▪ Utility and/or Internet Billings for each utility company if applying for utility assistance
<u>Loan eligibility criteria specific to the program</u>	<p>Delinquent by at least one installment payment in arrears on one or more of the following: utilities, such as electric, gas, garbage, home energy, and water or internet service, including broadband internet access service.</p>
<u>Form of assistance</u>	<p>Assistance will be structured as a non-recourse grant.</p>
<u>Payment requirements</u>	<p>Funds will be paid directly to the utility provider, internet provider, or other applicable third party authorized to collect eligible charge via check or electronic funds transfer.</p>

Monthly Mortgage (MM) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Provide full monthly payment assistance to homeowners unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic.</p> <p>HAF funds will allow a homeowner up to three (3) additional months outside of reinstatement assistance of (12) full monthly mortgage payments.</p> <ul style="list-style-type: none"> ▪ Monthly Mortgage assistance can be provided if not all funds have been expended after Reinstatement and Utility/Internet/Broadband payment assistance. ▪ If not all (12) monthly payments under Reinstatement Assistance are used homeowner can use the remaining payments under monthly mortgage assistance.
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum monthly assistance across all programs of \$3,500 ▪ Maximum \$25,000 per household <p>Monthly Mortgage (MM):</p> <ul style="list-style-type: none"> ▪ Maximum number of past due mortgage payments to be rescued is 12 which allows for an additional 3 months of monthly mortgage payment assistance outside of reinstatement. ▪ If not all (12) rescued Reinstatement payments are used under RA component homeowner may use remaining payments for monthly mortgage assistance.
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Property Eligibility Criteria Across All Programs plus</p> <ul style="list-style-type: none"> ▪ Homeowner is delinquent by at least one payment, including any payments during a forbearance period. ▪ Maximum number of past due mortgage payments to be rescued is 12 which allows for an additional 3 months of monthly mortgage payment assistance outside of reinstatement. ▪ If not all (12) rescued Reinstatement payments are used under RA component homeowner may use remaining payments for monthly mortgage assistance. <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Proof of identity, which may include a photo identification or other means of identification through id.me ▪ Deed or Proof of Ownership ▪ Proof of Income <ul style="list-style-type: none"> • Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer ▪ Attestation of financial hardship due to COVID-19. ▪ Mortgage Documents ▪ Third Party Authorization (for Servicer CDF Exchange)
<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least one payment, including any payments during a forbearance period.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Payments will be made directly to the lender or servicer via electronic funds transfer.

Delinquent Property Tax (DPT) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	Provide up to three (3) years of delinquent property tax payment assistance to prevent homeowner from tax foreclosure. This will apply when the property tax is not escrowed into the homeowner's monthly mortgage payment.
<u>Maximum amount of assistance per homeowner</u>	Maximum Amount of Assistance \$25,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Property Eligibility Criteria Across All Programs plus</p> <p>Additional Mortgage Type:</p> <ul style="list-style-type: none"> ▪ Reverse Mortgages <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Proof of identity, which may include a photo identification or other means of identification through id.me ▪ Deed or Proof of Ownership ▪ Proof of Income <ul style="list-style-type: none"> • Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer ▪ Attestation of financial hardship due to COVID-19. ▪ Mortgage Documentation ▪ Property Tax Statement
<u>Loan eligibility criteria specific to the program</u>	<p>Delinquent by at least one installment but not to exceed three (3) years / six (6) installments of delinquent property taxes.</p> <ul style="list-style-type: none"> ▪ Will apply when property taxes are not escrowed into the homeowner's monthly mortgage payment. ▪ Will apply when there are property tax delinquencies for applicants with Reverse Mortgages.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Funds will be paid directly to the County Treasurer's office or applicable third party authorized to collect eligible charges via check or electronic funds transfer.

Association Fees & Lien (AFL) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Association Fee & Lien Assistance will allow payment assistance of one (1) annual premium for homeowner's association fees or liens, condominium association fees, or common charges. This will apply when association and/or lien fees are delinquent enough that there is a risk of displacement of an eligible homeowner.</p> <p>Homeowner Association liens or fees, Condominium Association liens or fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development may be determined to be an eligible housing cost if there is a risk of displacement of an eligible homeowner.</p>
<u>Maximum amount of assistance per homeowner</u>	Maximum Amount of Assistance is \$25,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Property Eligibility Criteria Across All Programs plus:</p> <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Proof of identity, which may include a photo identification or other means of identification through id.me ▪ Deed or Proof of Ownership ▪ Proof of Income <ul style="list-style-type: none"> • Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer ▪ Attestation of financial hardship due to COVID-19. ▪ Billing Statement from: <ul style="list-style-type: none"> • Homeowner Association • Condominium Association • Cooperative Housing Development
<u>Loan eligibility criteria specific to the program</u>	<p>Allow payment assistance of one (1) annual premium for homeowner's association fees or liens, condominium association fees, or common charges.</p> <p>This will apply when association and/or lien fees are delinquent enough that there is a risk of displacement of an eligible homeowner.</p>
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Funds will be paid directly to the Condominium, Homeowner's Association, Cooperative Housing Development or applicable third party authorized to collect eligible charges via check or electronic transfer.

PAPERWORK REDUCTION ACT NOTICE

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