



## Emergency Rescue Mortgage Assistance (ERMA) Programmatic Element: HUD Partial Claims Guidelines

1. Program Overview	New Jersey Housing and Mortgage Finance Agency's Emergency Rescue Mortgage Assistance (ERMA) Program will assist New Jersey homeowners unable to pay their mortgages or other eligible housing expenses due to a COVID-19 related financial hardship. ERMA exists to promote neighborhood stability through homeowner retention by reducing delinquencies, mortgage defaults and foreclosures among New Jersey homeowners receiving assistance.
2. Brief Description	The HUD Partial Claims component of ERMA will provide funds to reduce or eliminate a HUD Partial Claim that was created on or after 1/21/2020.
3. Maximum Amount of Assistance per Household	<p>Homeowners will be eligible for up to \$75,000 through this program to be used only for the homeowner's primary residence.</p> <p>Eligible homeowners may benefit from multiple components of the ERMA program provided the total benefit from all components does not exceed \$75,000.</p>
4. Homeowner Eligibility Criteria/Documentation Requirements	<p><b>Homeowner Eligibility Criteria:</b></p> <ul style="list-style-type: none"><li>• Must have experienced a COVID-19 related financial hardship after January 21, 2020.</li><li>• Applicant must provide documentation showing a reduction of income caused by Covid-19 or an increase in COVID-19 expenses which equals or exceeds 10% of their annual income.<ul style="list-style-type: none"><li>• Applicant's hardship must have occurred after the origination date of the current first mortgage for which assistance is being requested.</li></ul></li><li>• Must have incomes equal to or less than 150% of the area median income, consistent with Treasury guidance.</li><li>• Homeowners may not have liquid assets (excluding retirement assets and education savings plans) greater than \$100,000.</li><li>• Applicant must demonstrate sufficient sustainable income to maintain all mortgage/property obligations.</li></ul> <p><b>Documentation Requirements:</b></p> <ul style="list-style-type: none"><li>• Valid Identification.</li><li>• Hardship Affidavit.</li><li>• Third Party Authorization.</li><li>• Mortgage Statement (if available).</li><li>• Income Determination Documents.</li><li>• Asset Attestation.</li></ul>



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	<ul style="list-style-type: none"><li>• Other documents upon request</li></ul>
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5. Property/Loan Eligibility Criteria Specific to the Program	<p><b>Property criteria includes:</b></p> <ul style="list-style-type: none"><li>• Must be owner-occupied primary residence.</li><li>• Must be a one- to four-unit property.</li><li>• Must be an attached or detached house, a condominium unit or a manufactured home on a foundation permanently affixed to real property.</li></ul> <p><b>Loan criteria includes:</b></p> <ul style="list-style-type: none"><li>• At closing of ERMA assistance, applicant must be current on all mortgages and property obligations, including property taxes and HOA's. <i>(Note: Applicant may be able to combine the HUD Partial Claim program with ERMA's Mortgage Reinstatement Assistance to bring first mortgage current.)</i></li><li>• Original unpaid principal mortgage balance of the homeowner's first mortgage loan, at the time of origination, must not exceed the conforming loan limit in effect at the time of origination for the applicable property type/unit count.</li><li>• Mortgage servicer must be willing/able to accept and apply Program funds.</li><li>• First mortgage must be an FHA, VA, or USDA loan.</li></ul>
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6. Structure of Assistance	<ul style="list-style-type: none"><li>• Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 3-year loan. The loan will be non-recourse, secured and recorded, and take a junior lien position on the home.</li><li>• All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the third year. If the property is sold and does not generate sufficient proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</li></ul>
7. Payment Requirements	Payments will be made directly to the lender or servicer.