



HOUSING & MORTGAGE FINANCE AGENCY

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The staff at NJHMFA would like to thank everyone that participated in the public comment session and those who have submitted questions or comments regarding NJHMFA's HAF program proposal by email. We strive to launch a program that meets the urgent needs of New Jersey's homeowners as we continue to build back better from the COVID-19 pandemic. We received many questions and comments before, during, and after NJHMFA's June 17th Public Comment Session, and this document is intended to provide streamlined but thorough responses addressing points raised in the questions received. Public feedback is being shared as well. If you're looking to stay updated on NJHMFA's HAF Program, we encourage you to provide an e-mail and contact information at which you'd like to receive more information by visiting NJHMFA's HAF webpage at www.njhousing.gov/dca/hmfa/covid19/haf/.

ELIGIBLE USES

- NJHMFA HAF programs are designed to promote neighborhood stability through homeowner retention by reducing delinquencies among homeowners with COVID-19 related financial hardships. NJHMFA, through its proposed Emergency Rescue Mortgage Assistance Program (ERMA) plans – subject to U.S. Treasury approval – to authorize funding of up to \$35,000 per household to cover qualifying delinquent homeowner obligations and expenses, such as mortgage payments, inclusive of principal, interest, taxes and homeowner's insurance; reinstatement assistance; and other housing related cost assistance including but not limited to escrow shortages, delinquent taxes and homeowner's insurance payments, and payments to lienholders who have advanced these delinquent payments during the homeowner's COVID-19 related hardship. The ERMA program will focus primarily on bringing families negatively impacted by the COVID-19 pandemic current on their delinquent payments that may risk loss of homeownership. ERMA will not cover utility payments because programs to assist with utility payments will be available through other state entities, including the Department of Community Affairs' expanded Low Income Home Energy Assistance (LIHEAP) program. Additionally, NJHMFA will implement a housing counseling program that will provide assistance to eligible families at no cost to the consumer. These services will include financial planning, locating resources that families are potentially eligible for, and if necessary and requested by the consumer, ERMA application assistance.

ELIGIBILITY

- The U.S. Treasury (Treasury) guidance emphasizes assisting homeowners earning no greater than 100% of area median income (AMI), but the program is available to homeowners earning up to 150% of AMI. Applicants will be asked to provide a written attestation of income along with supporting documentation, in order to determine income eligibility. Income limits will be set at the county level determined by household size as defined and published by HUD. For example, a 4-person family in Newark would be eligible with a total family income up to \$161,100, while a 5-person family in Camden would be eligible with a total family income up to \$153,150. Applicants will also be required to provide a written statement outlining the COVID-related hardship that contributed to their mortgage and housing cost delinquency. For more information on income eligibility, For more information on income eligibility, please see the proposed income limits at the end of this document.
- Treasury has also prioritized assisting households that are socially disadvantaged, which it defines as "those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control." Although these communities are prioritized, being socially disadvantaged is not a requirement for approval. All households meeting the basic program requirements are encouraged to apply. Those requirements are as follows: The home must be a primary residence located in New Jersey; applicant must show proof of COVID-related hardship occurring after January 20, 2020; applicant must be the owner of the property; and income must not exceed 150% of AMI.
- It is important to note that no matter the type of mortgage you may have or the type of circumstance you may find yourself in, if you are in trouble, you should never self-disqualify. Even if you doubt whether you qualify for the HAF program, you are encouraged to reach out to a HUD-certified housing counseling agency (HCA) for guidance and assistance. There may be additional resources and programs available to assist with your specific need.

PROGRAM OPERATIONS

- Treasury has not yet opened its portal to allow states to submit their HAF proposals. Further, there is no definitive timeline set for when the portal will be available or how long Treasury will need to review and approve state submitted plans. While awaiting the opportunity to submit New Jersey's HAF Plan, NJHMFA continues to prepare for its HAF programs. NJHMFA remains committed to preserving homeownership throughout New Jersey. Once NJHMFA is prepared to launch the HAF pilot program, eligible pilot participants will be contacted directly with information regarding how to apply. This pilot phase will help NJHMFA determine the efficiency of its programs and make any necessary adjustments prior to statewide launch. NJHMFA anticipates disseminating additional information and timelines shortly. Currently, NJHMFA is working to procure vendors and additional internal resources in order to provide an effective and efficient program for New Jersey's homeowners. In addition to this NJHMFA and the other HAF administrators around the country are also working closely with mortgage servicers to develop efficient communication tools and a robust network of contact and knowledge-sharing to facilitate making timely payments on behalf of homeowners who receive HAF assistance.

APPLICATION ASSISTANCE

- Understanding that some applicants may need assistance completing their applications, NJHMFA is committed to working with HUD-certified HCA to assist residents who have questions and specific issues that require additional help. HCAs have knowledge of the various programs available to address a household's specific circumstances and will be able to walk individuals and families through the steps for the HAF application, as well as to help them navigate mortgage, judicial, and strategic decision-making related to their COVID-19 related housing instability. HCAs will be available for assistance throughout the entire application process.
- NJHMFA will provide an application portal to enhance the user experience throughout this process. It is NJHMFA's intent to provide an accessible, efficient, and streamlined application process for those applying for assistance. As such, NJHMFA will have an application platform that allows for on the use of electronic signatures and the electronic submission of documentation.
- NJHMFA will also provide a call-center to assist program participants with any relevant questions that arise during the application process or regarding program guidelines throughout the first year of the program.

NEEDS ASSESSMENT, PROGRAM REPORTING AND OUTREACH

- According to the 2014–2019 American Community Survey, there are approximately 1.37 million owner-occupied housing units with a mortgage in New Jersey. Within this population of households, approximately 42% hold an income below the state's median income and approximately 30% are households that identify as members of socially disadvantaged communities – a U.S. Treasury designation for those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.
- NJHMFA's HAF targeting and outreach efforts will accord with U.S. Treasury's HAF Guidance. As such, not less than 60% of the assistance made available will go to homeowners having incomes equal to or less than 100% of the area median income. Additionally, a coordinated marketing and outreach strategy will be used to reach socially disadvantaged communities that are experiencing severe mortgage distress. Using public and proprietary mortgage data, NJHMFA will focus these prioritized targeting and outreach efforts in several distinct regions across the state that encompass large concentrations of socially disadvantaged homeowners and elevated mortgage distress rates. These efforts may include, but are not limited to, strategic partnerships with local community organizations, housing counselors, faith leaders and elected officials, as well as the distribution of printed materials and advertisements; web-based materials and advertisements; and local radio public service announcements. NJHMFA will provide program materials in several different languages.
- Similarly, NJHMFA's program reporting will follow U.S. Treasury's HAF Guidance. As per Treasury's guidance, NJHMFA anticipates submitting quarterly reports to Treasury that include financial data, targeting data and other information, and an annual program impact report.
- Once U.S. Treasury has reviewed and approved NJHMFA's HAF Plan, NJHMFA will offer several information sessions in coordination with local- and state-wide non-profit and community advocacy organizations. These public information sessions will provide critical program guidelines and application information to potential program participants and community support providers.

OTHER

- NJHMFA also received several comments regarding the COVID-19 public health emergency and other available assistance programs. As per state law, the New Jersey Foreclosure Moratorium continues in effect through November 15, 2021. If you are currently seeking assistance or are looking for more information on homeowner protections, NJHMFA strongly recommends you speak with a HUD-certified housing counselor – available at no-cost now through NJHMFA's Expanded Foreclosure Mediation Assistance Program. For more information, please visit <https://www.njhousing.gov/dca/hmfa/consumers/foreclosure/counselor/>.

