

DRAFT
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Vermont Homeowner Assistance Fund Program Summary Guidelines

1. Program Overview -- The Vermont Homeowner Assistance Fund (HAF) program offers grant assistance for (i) partial or full reinstatement of a delinquent first mortgage (including a forbore amount), principal reduction of a delinquent first mortgage in connection with a modification, junior liens, or other mortgage related expenses (including tax and insurance escrows and late fees), (ii) past due water, sewer, gas, oil, electricity, and internet, (iii) past due property tax, homeowner association fees, mobile home park lot fees, and other charges that are or could become a lien on the property and (iv) home repairs to maintain the habitability of a home.

2. Program Goal -- To help Vermont homeowners avoid foreclosure or displacement by mitigating financial hardships related to the Covid-19 pandemic.

3. Target Population -- Vermont homeowners having incomes equal to or less than 150% of the area median income, as published by VHFA based on household size. Priority will be given to homeowners with incomes less than or equal to 100% of the area median income, as published by VHFA based on household size, and to homeowners in Historically Underserved Populations. Marketing and outreach efforts also will be created to specifically engage Historically Underserved Populations to ensure they have an opportunity to take part in the Program. In addition, at least 60% of HAF grants must be given to households with incomes less than or equal to the area median income.

4. Eligibility Criteria -- To be eligible, Vermont homeowners must:

- Have experienced a financial hardship after January 21, 2020 related to the Covid-19 pandemic;
- Have income equal to or less than 150% area median income, as published by VHFA based on household size (assistance will be prioritized for those with income equal to or less than 100% of area median income, as published by VHFA based on household size and for Historically Underserved Populations, and income limits may be reduced to meet the requirement that 60% of all HAF grants be made to household with incomes less than or equal to the area median income, as published by VHFA based on household size);
- Own and occupy as a primary residence the property for which assistance is sought; and
- Submit a hardship affidavit as explanation of a material reduction of household income or material increase in household expenses.

5. Property Eligibility Criteria -- One- to four-family Vermont properties and condominiums in Vermont. Property must be the applicant's primary residence.

6. Structure of Assistance -- The Vermont HAF program provides one-time lump sum assistance grants for the benefit of eligible Vermont homeowners. Loans in forbearance are eligible. Funds are paid directly to the existing mortgage servicer, tax authority, lien holder, applicable utility company(ies), contractor(s) or other creditor(s).

Assistance can be used to pay, but may not be limited to:

- Delinquent principal, interest and mortgage escrow payments, including past due fees and charges
- Delinquent taxes
- Delinquent Homeowner's Insurance and Flood Insurance
- Delinquent Homeowner Association fees
- Delinquent Mobile Home lot rents
- Attorney's fees related to foreclosure/forbearance or similar services
- Past due taxes and other charges that are or could become liens related to the property
- Special assessments
- Delinquent junior liens
- Delinquent tax and insurance payment advances by Reverse Mortgage holders
- Past due water, sewer, gas, oil, electricity, internet [and other utility] balances.
- Costs of home repairs to maintain home habitability.

7. Per Household Assistance – [Up to \$50,000 of HAF assistance is available per household across all HAF program grants (up to \$60,000 if the HAF assistance includes costs of home repairs)].* Utility Assistance requests will be subject to review by the Department of Public Service to prevent duplication. Home Repair assistance will be coordinated through non-profit agencies. Assistance to any particular household will be prioritized in the following order: mortgage assistance, utility assistance, property tax assistance, home repair assistance, other assistance.

8. Program Inception/Duration – Commencing within 45 days after HAF Plan approval by US Treasury and running until September 30, 2025 or until program funds are exhausted.

9. Historically Underserved Populations include Socially Disadvantaged Individuals as defined in 13 CFR 124.103 and owners of mobile homes in mobile home parks.

10. Counseling and Legal Services Grants – In addition to assistance to homeowners outlined above, up to 5% of the program funds received may be granted to HUD-approved non-profit housing counseling agencies and non-profit legal services providers for efforts targeting households meeting the Eligibility Criteria set forth above related to prevention of foreclosure or displacement.

Organizations will be required to apply for funding, and their applications must include:

- a strategic outreach plan;
- a detailed description of how they will assist targeted homeowners under the VHAF program with application submission; and
- a description of how they will assist borrowers in negotiations with lien holders, mortgage servicers, tax collecting authorities, insurance providers, and investor groups.

*Assistance limit subject to adjustment as data on homeowner needs is further developed.