

Texas Homeowner Assistance Fund

Draft Program Overview

Eligible Homeowners

To be eligible for this Program, homeowners must have experienced, and must self-certify to, a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, or foreclosure, which hardship occurred after January 21, 2020. The homebuyer certification must describe the nature of the financial hardship. In addition, to be eligible for assistance, household income must be equal to or less than 100% of the area median income (two times the income limit for very low income families, for the relevant household size) or equal to or less than 100% of the median income for the United States, whichever is greater.

Property Eligibility

To be eligible for HAF assistance, properties must be located in Texas, and must be owner-occupied, or in the case of a land contract or contract for deed, occupied by the documented buyer, and include:

- Single-family (attached or detached) properties;
- Condominium units;
- 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence; Properties for which homeowners received payments through the Texas Rent Relief Program are ineligible to receive assistance through the HAF Program;
- Manufactured homes permanently affixed to real property and taxed as real estate; or
- Mobile homes not permanently affixed to real property.

Prioritization.

Homeowners residing in Persistent Poverty Counties will be prioritized (moved to the front of the line) for an initial period expected to be 30 days. Homeowners facing imminent foreclosure will be moved to the front of the line irrespective of geographic location of the residence.

Set-Asides. A set-aside will be created for non-traditional loans and properties, as those homeowners are expected to take longer to reach than those with traditional, government-backed mortgage loans. Additional set-asides may be required once the program is underway.

THE PROGRAMS

Mortgage Reinstatement Program

The Reinstatement Program will eliminate mortgage loan delinquencies to prevent foreclosure and homeowner displacement by reinstating mortgage loans that are at least thirty days delinquent. Through this program, delinquent mortgage loans can be reinstated, allowing homeowners to remain in their homes and avoid displacement. Eligible expenses include amounts advanced by the lender or servicer for property charges, including property taxes, hazard insurance premiums, floor or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners' association fees, utilities that the servicer advanced to protect lien position, and reasonably required legal fees. The maximum household assistance for this program is \$40,000, and funds will be provided as a nonrecourse grant to the homeowner.

Property Charge Default Resolution Program

The Property Charge Default Resolution Program will provide funds to bring current delinquent property charges, including past due property taxes, insurance premiums, HOA fees, condominium fees, cooperative maintenance or common charges, including up to 90 days of upcoming property charges. Payments will be remitted to third party payees, including tax collectors, insurance companies, HOAs, and other relevant parties. The maximum household assistance for this program is \$25,000*, and funds will be provided as a nonrecourse grant to the homeowner.

*Preliminary and subject to change.