

Memorandum Highlighting Updates in NC Homeowner Assistance Fund Submitted to Treasury

North Carolina has submitted its plan to the U.S. Department of the Treasury (Treasury) for the NC Homeowner Assistance Fund (NCHAF). The NC Housing Finance Agency updated its original plan based on [updated guidance issued by Treasury on August 2, 2021](#), and [comments received during the public comment period](#) in June 2021.

Revisions made to the NCHAF Plan include the following:

Targeted Populations and Geographic Areas

Change: Additional target areas and populations of the state were added to the plan based on a revised definition of socially disadvantaged individuals. In addition to the original targeting that the Agency designed based on counties with high levels of housing, economic and/or social distress and tracts identified as federal need designations, the new plan includes targeting and outreach to homeowners:

- in persistent poverty counties
- with Limited English Proficiency
- living in majority minority census tracts.

Reason for change: The August 2, 2021, Treasury guidance expanded the definition for socially disadvantaged individuals. The state adopted the relevant categories of the new definition.

Program Design Element Changes

Change: NCHAF funds may be provided to eligible homeowners for monthly mortgage assistance and may also be provided to cover other qualified housing related expenses such as property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees and homeowners' association fees to eligible homeowners with or without a mortgage.

Reason for change: The housing-related need for eligible homeowners will be different based on how and when the pandemic-related hardship has impacted the household. Allowing for payments going forward in addition to delinquent balances enables the Agency to serve more eligible homeowners by addressing their specific needs. Additionally, property taxes, insurance premiums and other housing related fees such as homeowner association fees may be barriers to housing stability for eligible households whether or not their home is mortgaged.

Change: The maximum benefit amount was increased to \$40,000.

Reason for change: Delinquent balance data shows impacted delinquent balances of potentially eligible homeowners are accruing.

Change: The updated plan clarifies that assistance may be provided to eligible homeowners based on a wide array of financing situations (e.g., reverse mortgage, second mortgages, land rent) or type of dwelling (e.g., manufactured housing).

Reason for change: The Agency's original plan anticipated assistance for these types of dwellings and financing situations, based on the Treasury guidance definitions issued in April 2021. However, comments received in the public comment period sought explicit inclusion or expressed concern that

these types of situations were excluded. The revision seeks to clarify the scope of situations eligible for assistance.

Change: Income eligibility is expanded to at least \$79,900 (with limits sometimes greater in some counties or for larger family sizes).

Reason for change: Treasury's August 2, 2021, guidance provided clarification that the national median is the income-eligibility limit if it is greater than the county's median income.

Plan Format:

Change: The plan format submitted to Treasury is different than the draft plan released for public comment.

Reason for change: The August 2, 2021, Treasury guidance provided a template and electronic portal that states were required to use for plan submission. The template structured many of the questions asked of states as discrete options rather than allowing for narrative and explanation of program design and intent. The portal allowed free form text in only a few narrow instances. For these questions, there was a character limitation that did not allow for precise duplication of the language found in the draft plan.

Questions on the plan and its implementation can be submitted to homeownerassistance@nchfa.com.