

North Carolina Housing Finance Agency's Housing Assistance Fund Program Summary

Introduction

The Homeowner Assistance Fund (HAF), established through the American Rescue Plan, intends to prevent mortgage delinquencies, defaults, displacements, and foreclosures for homeowners experiencing financial difficulties due to the coronavirus pandemic. The NC Housing Finance Agency will utilize the \$273,337,247 allocated to the state to assist low- to moderate-income and socially disadvantaged homeowners statewide, as instructed by the U.S. Department of Treasury.

Needs Assessment

There is demonstrable need for assistance across the state, especially for reducing mortgage delinquency among income-eligible and socially disadvantaged homeowners. Over 350,000 homeowners were behind on mortgage payments in September 2020. As the state begins to show signs of recovery, nearly 250,000 homeowners are still behind on their payments or are already in foreclosure, placing them at heightened risk for losing their homes in the coming months. The economic impacts of COVID-19 are still felt in communities across the state, especially those reliant on hard-hit industries like recreation and tourism and among socially disadvantaged households. Black and Latino households were disproportionately affected by COVID-19 infection rates and job loss, compromising their ability to pay their mortgage and retain wealth. The Agency has identified 41 counties (Figure 1) and 204 Census tracts with high levels of social disadvantage, economic and housing distress that will be targeted for enhanced outreach.

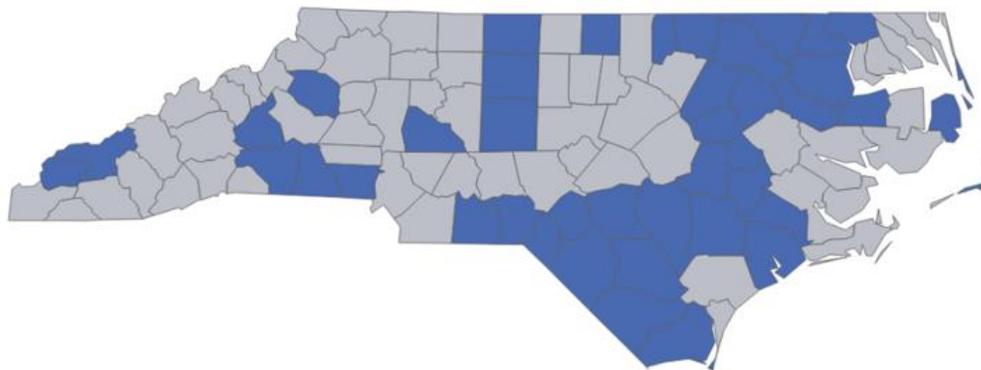


Figure 1: Map of Targeted Counties

Marketing

The Agency will implement a multi-faceted marketing strategy, utilizing digital media along with email, direct mail and radio, to ensure all eligible households across the state receive notice of the program. Additional outreach measures will be taken to ensure homeowners in the 41 targeted counties are made aware of the HAF program. Many of these communities have little or no access to internet. Rather than rely solely on the digital media campaign, which has proven to be the most successful method for state wide outreach, the Agency will explore radio and printed advertisements to reach homeowners in these targeted communities. In addition, the Agency will utilize robust and widespread partnerships with state-wide agencies, local nonprofits, servicers and other relevant groups to help bring awareness to the HAF program.

Program Design

The HAF program will assist eligible homeowners with qualified expenses who experienced financial hardship due to the pandemic on or after January 21, 2020. The expenses may include: mortgage payment assistance, payment assistance for homeowner insurance, flood insurance, mortgage insurance, HOA fees, and assistance with delinquent property taxes to prevent foreclosure, displacement or delinquency. The expenses must be related to the homeowner's primary residence and not exceed a maximum of \$35,000.

To be eligible, homeowners must earn no more than 150% of the area median income (AMI). At least 60% of the funds will be targeted to homeowners who earn less than 100% of the AMI, or the median income of the United States (\$79,900), whichever is greater. Any amount not made available to homeowners earning below 100% AMI will be prioritized for socially disadvantaged individuals, those who have been subjected to racial or ethnic prejudices. As defined by the Small Business Administration, the presumption is that the following individuals are socially disadvantaged if they self-identify as: Black, Hispanic, Asian Pacific Islander or Native Americans.

Income will be determined based on a written attestation from the homeowner and third-party documentation, such as tax returns, W-2s, IRS Form 1099, or proof that the household is a recipient of a federal means tested program which requires the household to be at or below the required HAF income limit such as Supplemental Nutritional Assistance Program (SNAP) or Medicaid. If a homeowner is unable to produce the needed third-party documentation and they live in a federally designated distressed census tract, such as the Department of Housing and Urban Development's Racial and/or Ethnical Areas of Concentrated Poverty tracts, the homeowner is presumed to meet the income eligibility criteria.

Public Comment

Comments received on or before June 23, 2021, can be considered before the HAF plan is submitted to the U.S. Department of the Treasury. Any interested individual may view and comment on the plan at www.nchfa.com. Due to the accelerated timeframe, a complete translation of the state Plan was not possible. However, additional questions can be answered by the NC Housing Finance Agency at 919-877-5700 or 800-393-0988.