

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](#).

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.

Program Design Element Changes

Change: Assistance to homeowners can include monthly mortgage assistance and can cover taxes, insurance and fees to 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, taxes, insurance and fees like 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 to these types of dwellings and financing situation, based on the Treasury guidance definitions issued in April. 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 a duplication of the language found in the draft plan.

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