



June 22, 2021

Mr. Scott Farmer, Executive Director  
NC Housing Finance Agency  
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Mr. Farmer,

The NC League of Municipalities (League) is a membership organization of over 540 municipalities and on behalf of those members I appreciate the opportunity to comment on the N.C Housing Finance Agency's (NC HFA) plan for the spending of the state's share of the federal Homeowner Assistance Fund (HAF).

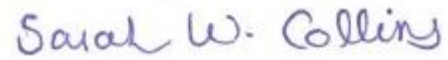
I would like to express our hope that assistance with utility payments be included in the NC HFA's plan for federal HAF funds. Of the \$273 million that North Carolina has been allocated from the federal HAF, none has been allocated for assistance with utility payments. Assistance with utility payments is an eligible use of the HAF funds; it was designed to "prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020," and therefore, the League believes assistance with utility payments should be included in the plan.

While the League appreciates your inclusion of "mortgage and mortgage-related assistance," including the payment of local property taxes, we believe leaving out assistance with utility payments is missing a critical and necessary piece to ensure those in need can recover from hardship. Providing these funds to go toward utility assistance, not only helps the utility customer, but also the municipal run utilities that are struggling after long periods of payment deferral by customers. While there have been other state programs set up to assist renters who cannot pay their utilities, the concern in this case is for those homeowners who have fallen behind on their utility payments and for which little aid has been given.

Over 85% of the state's population receives its water service from local government run utilities, and Executive Orders from the Governor Roy Cooper last year prevented cities and towns from cutting off utilities for a significant period during the pandemic, resulting in a large deficit in collections and many customers facing either having to pay a large amount at once or go on an extended payment plan. As stated in the HAF Plan, many of North Carolina's residents have struggled to keep up with household expenses, including utility bills. The data collected by the NC Utilities Commission shows that over 600,000 residential utility accounts in North Carolina were behind on their payments, amounting to \$134.6 million in arrearages. And as the report noted, this is likely an underestimate of delinquency and disconnection as it excludes some municipal water utilities. As the data shows, many customers, including homeowners, have found themselves months behind in utility payments which makes it very hard to catch up. If these utilities' customers do not receive additional support, rates could rise for all customers to make up needed funds that are lost due to non-payment.

The League hopes you will consider adding assistance in utility payments to the HFA plan for distributing assistance using federal HAF funds. Thank you for your consideration of our request. If you have any questions, please don't hesitate to contact me.

Respectfully submitted,

A handwritten signature in purple ink that reads "Sarah W. Collins". The signature is written in a cursive, flowing style.

Sarah Collins  
Legislative and Regulatory Counsel