



PENNSYLVANIA HOUSING FINANCE AGENCY

SOS – Helping homeowners in distress

May 12, 2022

Tom Wolf, Governor

Robin Wiessmann, Executive Director



Non-Covid Hardships

Covid Hardships

Vary by
investor/insurer

New assistance
programs



Loss
Mitigation
Options

Still exist and commonly used

Little to no changes

Vary by investor/insurer

Financial package required

Basic waterfall

- Forbearance
- Repayment Plan
- Loan Modification
- Partial Claim

Special options for natural disasters



Non-Covid
Options



Covid Options

Many changes and new options

Forbearance

- CARES; up to 12 months of \$0 payment
- Prior max was 6 for FHA/12 for GSE's
- Extended up to 18 months depending on loan type

Loan Mods

- No financial package required
- FHA just extended term to 40 years
- FHA Advance Loan Mod must be provided if borrower eligible even if no contact



Covid Options continued

New options

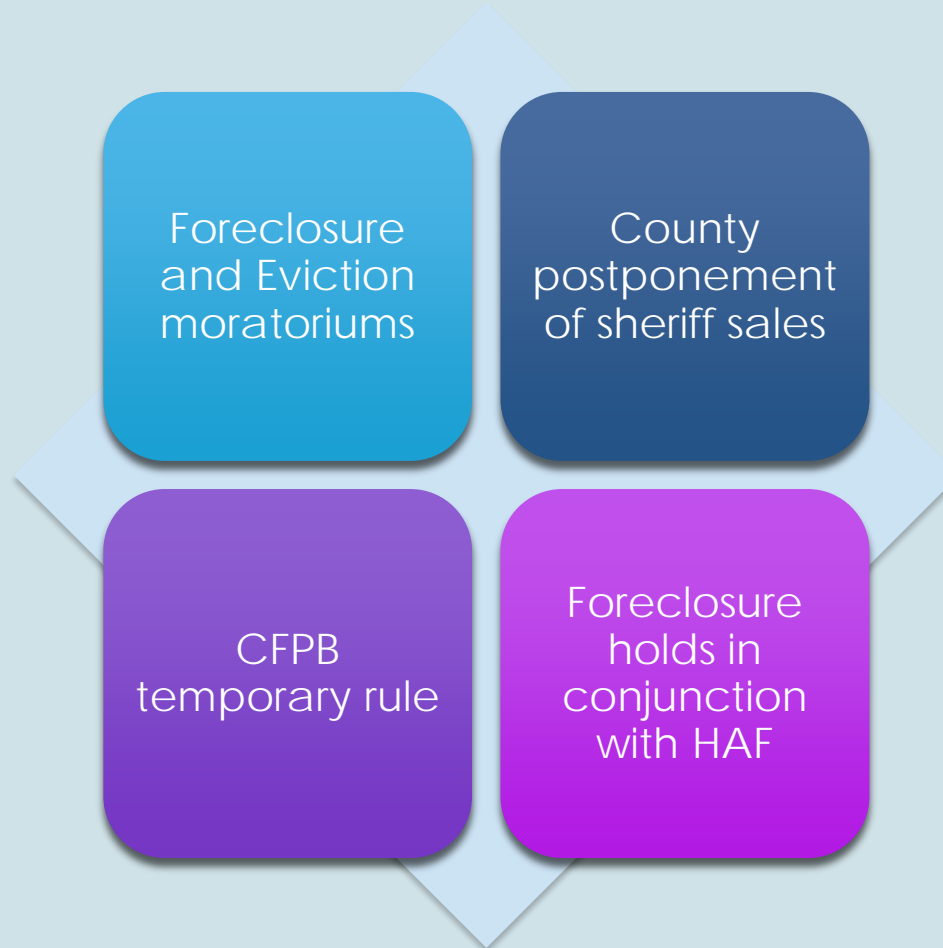
- GSE Payment Deferral
- VA Partial Claim
- PMAP
- HAF

Short sales more common and successful due to equity levels and housing market

CFPB resources

- <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>

Other factors



PHFA Stats

- ▶ Forbearances
- ▶ Loan Mods
- ▶ Partial Claims and Payment Deferrals
- ▶ Foreclosure levels still lower than pre-pandemic

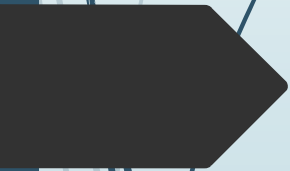


Contact Information

- ▶ Director of Loan Servicing
 - ▶ Kate Newton
717.780.3891
knewton@phfa.org
- ▶ Homeownership Professional Hotline
 - ▶ 717.780.3871
- ▶ PHFA's Solution Center
 - ▶ 1.855.827.3466



Homeowners' Emergency Mortgage Assistance Program (HEMAP)



HISTORY

- ❑ Emerged as a result of the closing of Pennsylvania's steel industries.
- ❑ PA Legislature passed Act 91 of 1983, creating the Homeowners' Emergency Mortgage Assistance Program (HEMAP).
- ❑ Initially, HEMAP was funded by appropriations in the state budget and from repayment of existing HEMAP loans.
- ❑ The PA 2011 FY budget did not include funding for HEMAP, and PHFA stopped accepting applications on June 30, 2011.
- ❑ The restart of HEMAP in 2012 came from funds allocated in the
- National Mortgage Settlement. We have operated under that settlement since

39 Years and counting

- ❑ Received almost \$246 million in appropriations
- ❑ Helped thousands of Pennsylvania families save their homes from foreclosure.
- ❑ Provided almost \$577 million in emergency assistance loans to Pennsylvanians who were making their mortgage payments until, through no fault of their own, faced default.
- ❑ The program has become a national model for foreclosure prevention

Structure

HEMAP is a loan, NOT a grant.

The interest rate is set annually. For loans closed in 2022, the interest rate is 4.25%

A mortgage is recorded against the applicant's property.

Monthly repayment of the loan is required.

Total assistance on a HEMAP loan is limited to:

- A maximum disbursement of 24* months of payments from the start of the delinquent period.
- A maximum of \$60,000 in total disbursements.

* In periods of high unemployment, payments may be extended to 36 months.

Cumulative

- ❑ To date the HEMAP program has
 - ❑ Received almost 236,000* applications.
 - ❑ Approved over 50,500
 - ❑ Received repayments in excess of \$346 million.
 - ❑ Has an 85% success rate of helping families stay in their homes.

► * As of January 31, 2022



The Need

2021

Totals	Mthly Avg
1,739,033	144,919
8,654,965	721,247
604	50
151	13
455	38
646	54
112	9

2020

Totals	Mthly Avg
3,777,156	314,763
7,219,850	601,654
792	66
239	20
820	68
506	42
261	22

2019

Totals	Mthly Avg
7,808,424	650,702
7,661,791	638,483
2,314	193
750	63
1,804	150
521	43
638	53

2022

Totals	Mthly Avg
473,358	157,786
2,281,764	760,588
269	90
55	18
205	68
152	51
29	10

Future of HEMAP



Continue to help homeowners facing mortgage delinquencies through no fault of their own



Review and renew our process to be more efficient and accessible to Pennsylvania homeowners in need.



Work with partners to maintain relationships to keep HEMAP relevant.



Work with other programs, combining HEMAP assistance when possible.

PAHAF

Contact Information

- ▶ Director of HEMAP
 - ▶ Kelly R. Wilson 717.780.1819 kwilson@phfa.org
- ▶ HEMAP Hotline
 - ▶ 800-342-2397
- ▶ HEMAP website
 - ▶ www.PHFA.org/hemap
- ▶ PHFA's Solution Center
 - ▶ 1.855.827.3466



**Mortgage and Housing-Related Assistance for
Pennsylvania Homeowners**

BACKGROUND

American Rescue Plan (ARP) of 2021 created the Homeownership Assistance Fund (HAF)

The **Pennsylvania Homeowner Assistance Fund (PAHAF)** is a housing-related program funded by the U.S. Department of the Treasury

\$350M allocated for Pennsylvania with PHFA designated as administering agency

Assists Pennsylvania homeowners facing financial hardship due to the COVID-19 pandemic

Goal: Assist eligible homeowners *at greatest risk* for mortgage delinquency, default, foreclosure, and displacement



Eligibility

Income Requirements

- 100% of county Area Median Income (AMI) for applicable household size or at or below 100% of the AMI for the United States, as determined to be \$90,000, whichever is greater; 60% of dollars allocated must serve these homeowners
- Household income at or below 150% of county AMI will be prioritized

Eligible Properties

- Dwellings located in Pennsylvania that are 1-4 unit residential properties, specifically:
 - Single-family/Row Home (attached or detached properties)
 - Condominium unit
 - Cooperative
 - Manufactured/mobile home permanently affixed to real property and taxed as real estate
 - Manufactured/mobile home not permanently affixed to real property
 - Land contract



Qualified Financial Hardship

As a result of the COVID-19 pandemic, homeowners must have experienced:

- A material decrease in income
- A material increase in expenses
- After January 21, 2020
(including a hardship that began before January 21, 2020 but continued after that date)

Mortgage Reinstatement

- Reinstatement meaning to bring first mortgage current
- Property taxes and insurance when included in mortgage payment
- Costs related to period of forbearance, delinquency, or default

Delinquent Utilities

- Types:
 - Electric
 - Heating fuel
 - Water/sewer
- Risk of loss of service
- Potential lien or ownership at-risk
- \$3,000 maximum



What's covered

Property Charges

- Delinquent property taxes (\$5,000 maximum)
- Insurance premiums (\$3,000 maximum)
- Homeowner association/condominium fees (\$5,000 maximum)
- Common charges that put ownership of the property at risk

Forward Payments

- Can only be used in combination with mortgage reinstatement assistance
- Maximum of six months of forward mortgage payments
- The combination of assistance is the lesser of \$30,000 or 24 months



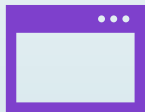
What's covered



Program Information:
pahaf.org



PAHAF Application
Registration:
register.pahaf.org



PAHAF Application Portal
Log-In:
apply-pa.pahaf.org



PAHAF Call Center:
888.987.2423
Open Monday through
Friday from 8 a.m. to 8
p.m.
and Saturday from 8 a.m.
to 5 p.m.





THANK YOU FOR YOUR
TIME AND ATTENTION

www.phfa.org

5/12/2022

