

# PANDEMIC MORTGAGE ASSISTANCE PROGRAM

## PROGRAM GUIDELINES

The Pennsylvania Housing Finance Agency (Agency) hereby provides notice of the Pandemic Mortgage Assistance Program (PMAP or Program). PMAP was established pursuant to Act 24 of 2020 (act). The act establishes the Program to be administered by the Agency for the purpose of providing emergency mortgage assistance on behalf of homeowners who are delinquent in their mortgage payments and who have experienced job loss or reduced income as a result of the COVID-19 pandemic. Assistance shall be made available in the form of a grant and funds will be paid directly to lenders. The provision of assistance shall, at all times, remain subject to the availability of funding.

This notice describes the eligibility criteria, as well as the application submission and evaluation process. In addition, this notice identifies the Program timelines applicable to application submission and funding disbursement. Applications are available on the Agency's website at [www.phfa.org](http://www.phfa.org). The Agency will accept PMAP applications beginning July 6, 2020, until November 4, 2020.

The guidance contained herein supersedes any previously published Pandemic Mortgage Assistance Program Guidelines.

### PROGRAM OBJECTIVE

The purpose of PMAP is to aid in foreclosure prevention by providing emergency assistance in the form of a grant on behalf of Pennsylvania homeowners who are delinquent in their monthly mortgage payments due to job loss or reduced work hours and wages as a result of the COVID-19 pandemic.

### DEFINITIONS

The following words and terms shall have the following meanings.

*“Applicant.”* A homeowner or a lender applying on behalf of a homeowner.

*“Homeowner.”* The owner-occupant of a dwelling consisting of one or two separate units who became unemployed after March 1, 2020, due to the COVID-19 pandemic, or who is experiencing a 30% or more reduction in annual household income due to reduced work hours or wages as a result of the COVID-19 pandemic. This term is interchangeable with the term “mortgagor”.

*“Income.”* Income will include compensation for services, including fees, commissions, fringe benefits, and similar items. Income will also include all gross income derived from businesses.

*“Installment sales contract or agreement.”* An agreement or contract under which the seller of residential real property conveys ownership of or an equitable interest in real estate which constitutes the principal residence of the buyer wherein the seller finances the purchase by the buyer through contract, agreement, note or other security interest, if that contract or agreement does not constitute a default under the terms of a pre-existing mortgage between the seller and the seller's mortgagee.

*“Lender.”* A mortgagee whose debt is secured by a first or second mortgage on the property of a homeowner. This term is interchangeable with the term “mortgagee.”

*“Mortgage.”* A lien, other than a judgment, on a fee simple or leasehold interest in real property which constitutes the principal residence of the homeowner, located in this Commonwealth together with credit instruments secured

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thereby. The term includes an installment sales agreement or installment sales contract. The term also includes an obligation evidenced by a security lien on real property upon which an owner-occupied mobile home is located.

*“Mortgagee.”* A lender whose debt is secured by a first or second mortgage on the property of a homeowner. This term is interchangeable with the term “lender.”

*“Mortgagor.”* The owner-occupant of a dwelling consisting of one or two separate units who became unemployed after March 1, 2020, due to the COVID-19 pandemic, or who is experiencing a 30% or more reduction in annual household income due to reduced work hours or wages as a result of the COVID-19 pandemic. This term is interchangeable with the term “homeowner.”

*“Unemployed.”* The meaning as set forth in the act of December 5, 1936 (P.L. 2897, No. 1), known as the Unemployment Compensation Law.

### LIMITATION ON ASSISTANCE

(a) *Total funds available.* A total of \$25 million is available under PMAP. The issuance of PMAP assistance shall at all times be subject to the availability of funding.

(b) *Covered timeframe.* PMAP assistance may be available to eligible applicants to cover mortgage payments due between March 2020 and December 2020 on homeowners’ first and second mortgages. Assistance may be provided on a first and second mortgage only, subject to all other eligibility criteria.

(c) *Types of assistance.* Assistance will be provided in the form of a grant, with no repayment terms and may be approved on either a continuing or non-continuing basis depending on the homeowner’s current employment or income status at the time of application.

(d) *Assistance cap and applicability.*

- (1) Assistance is limited to a maximum of \$1,000 per month, per mortgage for up to six months of mortgage payments for mortgage payments due between March 2020 and December 2020. Assistance is available for a first and second mortgage on the property of an eligible homeowner, subject to all other eligibility criteria.
- (2) Applicants may be eligible for assistance when the monthly mortgage payment exceeds \$1,000; however, PMAP may only provide up to the maximum amount of assistance of \$1,000 per month, per mortgage. Lenders accepting PMAP on behalf of any homeowner must agree to release the homeowner from any remaining obligation for any past due or future mortgage payment for which PMAP assistance is provided.
- (3) PMAP assistance may be applied to mortgage payments included in a forbearance agreement.
- (4) Assistance will include payment of the monthly amortized mortgage payment only and may not be applied to late charges, legal fees, property inspections, or any other fees owed to the mortgagee before, during or after the covered timeframe.

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### ELIGIBILITY FOR ASSISTANCE

(a) A property must be all of the following:

- (1) An owner-occupied dwelling consisting of one or two separate units; and
- (2) Secured by a mortgage or other security interest in cases where the property is subject to an installment sales contract or agreement; and
- (3) Located in the Commonwealth of Pennsylvania.

(b) Assistance may be provided on behalf of a homeowner or to a lender applying on behalf of a homeowner when the following eligibility criteria have been demonstrated:

- (1) The homeowner(s) must have become unemployed after March 1, 2020, or had their annual household income reduced by 30% or more due to reduced work hours and wages as a result of the COVID-19 pandemic. A homeowner who became unemployed after March 1, 2020, must be verified with the Department of Labor and Industry's Bureau of Unemployment Compensation.
- (2) The homeowner(s) must have an annualized current income of no more than the upper limit of "median income" as defined in guidelines published annually by the United States Department of Housing and Urban Development. Applicants may find the Area Median Income for a specific county by visiting <https://www.huduser.gov/portal/datasets/il.html>.
- (3) The homeowner(s) must hold legal or equitable title. In an effort to assist families with tangled titles and intergenerational family homes, as well as applicants with an installment sales contract or agreement, equitable owners, who are not the sole record owner or mortgagor, may be eligible.
- (4) Mortgage payments for which assistance is requested must be due between March 2020 and December 2020.
- (5) The mortgage(s) for which assistance is requested must be a first or second mortgage on the property.

### APPLICATION AND REVIEW PROCESS

(a) *Application process.* Applicants will be able to apply through a web-based application at <https://PMAP.phfa.org> or by mail utilizing a printable application, which is available on the Agency's website at [www.phfa.org](http://www.phfa.org). The completed application, with all required supporting documentation may be mailed directly to PHFA. Applicants may submit applications beginning July 6, 2020, until November 4, 2020. All owners of a property for which assistance is sought must complete and execute the application; however, a homeowner may be eligible if a co-owner is absent, unable or unwilling to complete the application. In addition to completing the application, to be eligible for assistance, an applicant must provide all of the requested documentation as applicable. The following must be included with the submitted application.

- (1) *Required Documentation.* In addition to other documentation, as may be required by the Agency, the required supporting documentation shall consist of the following:

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- (i) A copy of any Act 6 Notice of Intent to Foreclose or Act 91 Notice if the homeowner has received such documentation. If the Act 6 Notice or Act 91 Notice is outdated, the applicant must provide a current notice that reflects the months and amounts owed on the mortgage for which assistance is sought.
- (ii) If the homeowner has not received either an Act 6 Notice of Intent to Foreclose or an Act 91 Notice, the applicant must provide the most recent mortgage statement or a statement from the lender verifying the payments owed on the mortgage or in the case of a mortgage in forbearance the amount that would have been due had the forbearance not been put in place.
- (iii) Verification that accurately reflects homeowner's household income prior to the pandemic-related loss of income and following the pandemic-related loss of income in order for the Agency to assess the pre-pandemic level and post-pandemic level of income so that a determination can be made as to whether there has been a 30% reduction in income. Documentation demonstrating homeowner's current household income must also be submitted.

### (2) *Required Attestation and Certification.*

- (i) *Homeowner attestation and certification.* In addition to certifying that the information provided on the application is accurate, the homeowner must certify that such homeowner, if approved for PMAP assistance, will not accept additional mortgage assistance for any mortgage payment amounts for which PMAP assistance has been provided.
- (ii) *Lender attestation and certification.* In addition to certifying that the information provided in the application is accurate, any lender that applies for or receives PMAP on behalf of any homeowner must agree to apply the PMAP funds to mortgage payments only and for the designated period, as approved by the Agency. The lender must also attest that the lender releases the homeowner of any remaining obligation for any past due or future mortgage payment for which the Agency pays the lender.

(b) *Application Review.* The Agency will review complete applications to determine fulfillment of the eligibility criteria. As part of the application review, for homeowners who were unemployed, the Agency shall verify homeowners' names with the Department of Labor and Industry's Bureau of Unemployment Compensation to ensure the homeowner became unemployed after March 1, 2020. Applicants must notify the Agency in writing of any changes in income or residence of the homeowner during the timeframe that the application for assistance is pending.

(c) *Disbursement timeframe.* All approved PMAP assistance, subject to the availability of funding, will be disbursed no later than November 30, 2020.

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### NOTICE OF DETERMINATION

(a) Within 60 days of receipt of a completed application, the Agency will provide written notice of its determination regarding eligibility.

(1) If the application for assistance is approved, an approval letter will be issued to the homeowner and each lender to which assistance funds will be provided.

(i) Applicants will be notified of the amount of assistance to be disbursed on the homeowner's behalf.

(ii) A PMAP Verification Form will be sent with the lender copy of the approval letter, which will request an updated verification of the months and amounts due on the mortgage. The PMAP Verification Form must be completed by the lender and returned to the Agency.

(2) If the application for assistance is denied, a denial letter will be issued to the homeowner. The denial letter will provide the reason for the denial.

### ACKNOWLEDGEMENT

(a) *Homeowner acknowledgement.* If approved, all homeowners will be required to sign an acknowledgement regardless of whether assistance is approved as either continuing or non-continuing. Any homeowner approved for PMAP assistance must agree to certain terms, including but not limited to, notifying the Agency in writing of any changes in income or residence during the period that PMAP assistance is being issued and that the homeowner(s) have not and will not accept any other mortgage assistance from any other local, state or federal program for the same amounts and time periods covered by any PMAP assistance paid by PHFA.

(b) *Lender acknowledgement.* Lenders that have agreed to accept PMAP assistance will receive an acknowledgment with the PMAP payment indicating that processing of the check indicates the lender's agreement to apply the PMAP funds to mortgage payments only and for the designated period indicated on the itemization provided with the check and affirming that the lender releases the homeowner for whom assistance was provided of any remaining obligation for the months for which PMAP assistance was applied.

Date: September 9, 2020

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ROBIN L. WIESSMANN  
Executive Director & Chief Executive Officer