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Department of Treasury Homeowner Assistance Fund Plan

Commonwealth of Virginia




Department of Treasury Homeowner Assistance Fund Needs Assessment and Plan

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The research was conducted by IEM, incorporating data provided by Virginia Housing.

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History Table

07/21/2021	Draft Plan posted for public comment
08/05/2021	Public meeting held
08/06/2021	Public comment period closed
08/17/2021	Final Plan Published
	<ul style="list-style-type: none"> • Updated date of final Plan publication, Cover Page. • Removed “Draft” from title, Cover Page. • Removed “Draft” from headers, throughout document. • Minor grammatical, spacing, and punctuation modifications, and updated table/figure caption number updates, throughout document. • Changed language from the draft indicating what would happen in the future (the launch of the pilot program or public comment period) to past tense to reflect that these things have now occurred with the passage of time, throughout document. • Updated Table of Contents, i-ii. • Added History Table, iii-vii. • Added “HTI” acronym, page viii. • Added “cooperative” to definition of Eligible Property Type, page ix. • Added “and special assessments, cooperative fees,” to definition of Housing Obligation, page ix. • Added “This includes federally backed, conventional, private, and reverse mortgages” to the definition of Mortgage. Also added the sentence “It also includes a loan secured by a manufactured home, or a contract for deed (also known as a land contract)” to this definition, page ix. • Updated definition of Socially Disadvantaged Individual per updated Treasury guidance dated August 2, 2021, page x. • Added “As discussed below, this HAF Guidance was updated on August 2, 2021” in the section “Introduction”, page 1 • Added the word “draft” and the phrase “dated July 21, 2021” to the sentence “Additionally, Virginia Housing hosted a Public Forum and published the draft HAF Plan dated July 21, 2021, for a public comment period to receive additional feedback from Virginians”, page 1. • Added the word “housing” to the sentence “Eligible homeowners with ongoing hardship, demonstrating excessive housing debt to income ratio which makes current and future mortgage payment difficult, may qualify for reinstatement plus payment of mortgage principal and interest, within program limits” to subsection “Needs Assessment and Plan Overview”, page 2. • Revised subsection “Stakeholder Engagement and Public Comment” to add details about additional information now

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	<p>available in Appendices of the Final Plan, which were not available in the Draft Plan, pages 2-3.</p> <ul style="list-style-type: none">• Added new subsections “Housing Counseling Providers and Community-based Organizations Coordination” and “Impact of August 2, 2021 Treasury Guidance, pages 3 and 4.• Added row 17 to data sources and fixed table numbering (Table 1), page 8.• Added “on July 27, 2021” to sentence “Virginia Housing began conducting a Pilot Program on July 27, 2021, based on its loan portfolio data” in subsection “Virginia Pilot Program Application”, page 15.• Added the phrase “using Treasury’s First Socially Disadvantaged Definition” to the subheading “Virginia Mortgage Relief Program Data Application”, page 17.• Moved previous subsection entitled “Utilities, not a need due to Other Program Availability” and changed heading to “Utilities not Included (due to other program availability)”, pages 21-26 previous version, pages 33-37 this version.• Removed heading “Demographic Profile of Virginia Homeowners”, page 22.• Changed “89%” to Eighty nine percent” and “25%” to “Twenty five percent”, page 22.• Added sentence “Figure 9 demonstrates the percentage of homeowners by geographic area whose income is at or below 100% AMI”, to subsection “Housing Distribution”, page 24.• Deleted the sentence “Homeowners with delinquent loans, whether offered forbearance or having missed the option, will potentially benefit from HAF assistance if eligible” in subsection “Mortgage Delinquency and Forbearance”, page 25.• Added new subsection “New Treasury Guidance and Socially Disadvantaged Individuals”, pages 26-31.• Added new section “Loan Risk Based on Weighted Index”, page 32.• Added “as updated August 2, 2021” to the sentence “In addition to Treasury priorities outlined in the April 14, 2021, HAF Guidance, as updated August 2, 2021, relating to prioritization of loan types and socially disadvantaged status, VMRP may prioritize homeowner households with one or more of the following characteristics”, in subsection “Program Goals”, page 37.• Removed the word “racial” in the sentence “The Needs Assessment identified ZIP Codes with the highest levels of homeowners with the following four attributes: delinquency, forbearance status, sub-100% AMI, and membership in socially disadvantaged groups”, in subsection “The Virginia Mortgage Relief (VMRP), page 38.• Revised subsection “Maximum Household VMRP Assistance”, page 38.• Added sentence “VMRP assistance is structured as a non-recourse grant, recoverable in the event of fraud or
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	<p>overpayment” to the subsection “Payout of VMRP Assistance”, page 38.</p> <ul style="list-style-type: none">• Added the phrase “for the full VMRP” and changed the number “127” to “131” in the sentence “Though the VMRP will be open to anyone in Virginia, marketing of the full VMRP will target the Top 131 ZIP Codes at high and significant risk, as identified in the Needs Assessment” in the subsection “Marketing/Outreach”, page 39.• Added the sentences “Marketing and outreach for the VMRP Pilot, described further below, will be limited to borrowers within the Virginia Housing mortgage loan servicing portfolio applying the weighted index methodology to identify target ZIP Codes for portfolio borrowers at high and significant risk; however, participation in the VMRP Pilot is by invitation only. Recognizing that borrowers with serious delinquency are slated to come out of forbearance in September and October, additional prioritization for marketing of the VMRP Pilot will occur with this population” in the subsection “Marketing/Outreach”, page 39.• Added “per Treasury Guidance” to bullet two under subsection “Target Population”, page 39.• Changed the subheading “Outreach Materials” to “Equity/Accessibility”, page 39.• Changed date of “Submission of HAF Plan to Treasury” to “August 17, 2021” in Table 15, Key Program Dates, page 41.• Added “In its initial HAF Guidance in effect at the time the Pilot program was implemented,” to the sentence “In its initial HAF Guidance in effect at the time the Pilot program was implemented, Treasury encouraged HAF program grantees, such as Virginia Housing, to create or fund pilot programs to serve targeted populations, and to focus on program options that were most likely to deliver most quickly to targeted populations, such as mortgage reinstatement programs” in subsection “VMRP Pilot”, page 41.• Added “at the time the Pilot was developed” to the sentence “At the time the Pilot was developed, of the active mortgage loans in the Virginia Housing servicing portfolio, 6,209 (11.63%) were in delinquency” in subsection “VMRP Pilot”, page 41.• Added the sentence “Funds may be used to bring accounts fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including reasonably required legal fees of payee associated with eligible expenses” to the subsection “VMRP Eligible Uses of Funds”, page 42.• Added “and reasonably required legal fees of payee associated with eligible expenses” to bullet one under “VMRP Eligible Uses of Funds”, page 42.• Deleted “Lot rent is not eligible under HAF but may be under the Virginia Rent Relief Program (RRP) from bullet three under the subsection “VMRP Eligible Uses of Funds”, page 43.
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	<ul style="list-style-type: none">• Added new bullet four under “VMRP Eligible Uses of Funds” to state that “Personal property tax on unattached manufactured/mobile homes”, page 43.• Added new bullet five under “VMRP Eligible Uses of Funds” to state that “If home loan monthly payment and/or personal property tax are being paid on an unattached manufactured/mobile home, lot rent may also be paid. However, applications for lot rent only are not eligible under HAF but may be under the Virginia Rent Relief Program (RRP)”, page 43.• Added “cooperative fees” and “condominium special assessments” to bullet six under “VMRP Eligible Uses of Funds”, page 43.• Added “and other property insurance” to bullet seven under “VMRP Eligible Uses of Funds”, page 43.• Added sentence “In situations where mortgage loan payments are not being made, the assessed value of the dwelling and land (as determined by the taxing authority) cannot exceed current applicable conforming loan limits” to subsection “VMRP Eligible Uses of Funds”, page 43.• Added “depending upon their mortgage and escrow account status, as well as their HTI” to the sentence “An applicant may qualify for one or a combination of all of these program options, depending upon their mortgage and escrow account status as well as their HTI” under subsection “Eligible Uses of VMRP Funds”, page 43.• Added “with mortgage loans” to the sentence “Applicants with mortgage loans will be reviewed for Reinstatement first, then Reinstatement with Monthly PITI Payment” under subsection “VMRP Eligible Uses of Funds”, page 43.• Added “This option provides funds to eliminate past due payments and other delinquent amounts, including payments under a forbearance plan, on mortgages (including private mortgages), reverse mortgages, loans secured by manufactured homes, or contracts for deed” under subsection “Reinstatement/Partial Reinstatement Assistance”, page 43.• Added “Homeowners receiving mortgage reinstatement assistance whose HTI is greater than 40% may be eligible for this option if the Maximum Per Household VMRP Assistance cap has not been reached, after reinstatement is complete. This option provides full payment assistance to homeowners unable to make mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic once all account balances have been brought current. This option is only available in conjunction with the mortgage reinstatement option meaning that forward paying mortgage payment assistance will not be made available as a standalone option” under “Reinstatement with Monthly PITI Payment Assistance”, page 44.• Changed “three months” to “90 days” in the sentence “This option will require re-certification of income and hardship every 90 days while the payment is ongoing. Payments are limited by
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	<p>the maximum assistance caps” under “Reinstatement with Monthly PITI Payment Assistance”, page 44.</p> <ul style="list-style-type: none"> • Added “reinstate the shortfall or” to bullet one under “Special Conditions for Reinstatement Assistance Options”, page 46. • Added bullets four, five, and six to “Special Conditions for Reinstatement Assistance Options”, pages 44-45. • Revised subsection “Taxes, Fees, and Insurance Assistance”, page 45. • Added “as updated August 2, 2021” to the sentence “Registered homeowners will answer pre-screening questions for the VMRP based on the threshold eligibility criteria laid out by Treasury in the April 14, 2021, HAF Guidance, as updated August 2, 2021” under “Pre-Screening”, page 47. • Added “cooperative” to bullet three under “Screening Questions”, page 47. • Added “or personal property tax for an unattached manufactured/mobile home”, “and special assessments,” and “property” to bullet six under “Screening Questions”, page 47. • Added sentence “Homeowners are eligible to receive VMRP only if they experienced a financial hardship after January 21, 2020” under “Hardship Attestation”, page 49. • Added “if applicable” to bullets six and seven under “Required Documentation”, page 49. • Added “real estate property”, “special assessments, cooperative fees”, and “property” to bullet 8 under “Required Documentation, page 49. • Added bullets nine, 10, 14, and 15 under “Required Documentation”, page 49. • Added “condominium special assessments, cooperative fees”, “and other property”, and “including reasonable legal fees incurred by the payee to 1(a) of “Applicant Award”, page 50. • Added “condominium special assessments, cooperative fees” to 2(b) of “Applicant Award”, page 50. • Added “flood, mortgage, and other property insurance” to 2(c) of “Applicant Award”, page 51. • Added 2(d) and 2(e) to “Applicant Award”, page 51. • Added sentence “Additional details on initial performance goals can be found in Appendix C, as part of Virginia Housing’s submission of the Treasury HAF Plan Template” to section “Performance Goals”, page 52. • Deleted “These systems are audit-tested and confirmed to meet all federal and state requirements through internal auditors” from subsection “Financial Controls”, page 54. • Added the words “internal or” to the sentence “In addition, the program may be selected for audit by Virginia Housing’s internal or external auditors”, under subsection “Financial Controls”, page 54. • Deleted “located within the files” and “limiting access to information” from subsection “File Security”, page 55. • Added section “Reallocation of Funding”, pages 56.
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	<ul style="list-style-type: none"> • Added sentence “Further, Appendix C contains Virginia Housing’s submission of the Treasury HAF Plan template which outlines the initial estimated line-item breakdown by program option” to section “Budget”, page 57. • Added Appendix A to log and address public comments, A-1. • Added Appendix B to document public notice and promotion of the public meeting, B-1. • Added Appendix C which is a copy of the Treasury HAF Template submitted by Virginia Housing, C-1.
03/18/2022	Version 2 Published
	<ul style="list-style-type: none"> • HAF number updated, inside front cover. • Changed future tense wording to past tense throughout the document to account for actions and activities that have now occurred in the past. • Expanded subsection “Housing Counseling Providers and Community Based Organizations Coordination” to include new program design features that include referral to these organization types for additional assistance, pages 3-4. • Added sentence stating that the pilot program ended January 1, 2022 and inserted date of January 3, 2022 as opening date of full program, subsection “The Virginia Mortgage Relief Program (VMRP)”, page 38. • Clarified that VMRP funds not expended during pilot phase will roll over and be available for distribution to qualified homeowners during the full program implementation phase, subsection “The Virginia Mortgage Relief Program (VMRP)”, page 38. • Update program maximums (cap) language to reflect policy change that removes the 20-month limit on assistance and increases the maximum allowable from \$30,000 to \$40,000, pages 38, 59. • Clarified that all assistance through VMRP is limited to the program-established maximum allowances, also referred to as caps in subsection “Payout of VMRP Assistance”, page 38. • Provided additional information about servicer quotes for payoff of past due amounts and how the VMRP will account for total arrearages due based on timing of payment relative to payoff quotes in subsection “Payout of VMRP Assistance”, page 39. • Added new subsection “Prohibition on Sale or Refinance of Home”, page 39. • Added new subsection “VMRP Exclusions”, page 39. • Added new subsection “Tax Consequences of Accepting VMRP HAF Assistance”, page 39. • Replaced text in subsection “Equity/Accessibility” with more detailed information about services available to assist Virginia homeowners who require additional support, page 40.

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	<ul style="list-style-type: none"> • Added information about mobile outreach services in subsection “Marketing and Outreach Campaign”, page 41. • Updated dates in the subsection “Timeline for Implementation”, page 42. • Added information about the closure of the pilot program, subsection “VMRP Pilot”, page 44. • Updated “Special Conditions for Reinstatement” with clarifying language, page 45-46. • Clarified that delinquent land or lot rent associated with a mobile home may be eligible under VMRP if the land or lot rent is associated with a mobile home for which the mobile home loan is also delinquent, page 46-47. • Added two new subsections under VMRP Program Design. The new subsections are “Prioritization of Applications” and “Priority 2 Financial Set Aside”, page 47. • Update the “Full VMRP Application” section with most current program access details, page 48. • Added clarifying details for homeowner assessment of personal financial situation and ability to cure delinquencies that came due prior to January 21, 2020 or delinquency amounts that exceed VMRP assistance caps, page 49. • Included statement about change to pre-screen process related to inquiry about status of foreclosure and trigger for expedited review for those in foreclosure proceedings, page 50. • Updated bankruptcy requirement to allow for trustee approval of participation, in addition to bankruptcy court, pages 51, C-11 • Updated Appendix C to replace previous Term Sheets with updated Term Sheets submitted by the VMRP to Treasury as part of the HAF Plan approval process. • Updated Appendices A and C to reflect change in program maximum award.
1/10/2023	Version 3 Published
	<ul style="list-style-type: none"> • Removed the January 21, 2020 limitation from definition of “Eligible Homeowner” and added “as a result of COVID-19” to clarify that hardship must be COVID-19 related. Page xi. • Removed January 21, 2020 limitation for delinquency and updated language to reflect adopted language from treasury guidance such that “delinquency related to a hardship experienced after January 21, 2020 (including a hardship that began before January 21, 2020, but which continued after that date)” now qualifies. Pages xii, 43, 44, 47, 49, 50, C-13, C-24, C-26, and C-27. • Updated language related to pre-screen question designed specifically for homeowners with delinquencies prior to January 21, 2020 and the process that both those homeowners and

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	<p>VMRP staff would follow related to these delinquencies has changed as a result of VMRP adoption of new policy. Page 50.</p> <ul style="list-style-type: none"> • Added language that “The new policy goes into effect January 11, 2023.” Page 50 • Changed the VMRP maximum assistance from \$40,000 to \$50,000. Pages 38, 52, C-13, C-29. • Changed verb tense from present tense to past in relation to the pilot program as the pilot program has concluded. Page 38, 43, and 44. • Added statement “Note that as of January 10,2023, the program maximum was increased from \$40,000 to \$50,000 and the requirement that delinquency incurred only after January 21, 2020 has been replaced with “delinquency related to a hardship experienced after January 21, 2020 (including a hardship that began before January 21, 2020, but which continued after that date)” now qualifies. Page A-1
10/03/2023	<ul style="list-style-type: none"> • Updated to notate that as of October 1, 2023, the VMRP is no longer accepting new applications and U program forward payments will stop following October 2023 disbursements.
10/24/2024	<ul style="list-style-type: none"> • Updated to notate the halt of application intake as of May 3rd, 2024. • Updated to reflect the stop of public facing program processes on October 31, 2024 in preparation for full program closure.

Acronyms

ACS – U.S. Census Bureau’s American Community Survey
AGI – Adjusted Gross Income
AMI – Area Median Income
ARP – American Rescue Plan Act of 2021
CDCs – Community Development Corporations
CDFIs – Community Development Financial Institutions
FHA – Federal Housing Administration
HAF – Homeowner Assistance Fund
HFA – Housing Finance Agency
HTI – Housing Expense to Income Ratio
HUD – United States Department of Housing and Urban Development
IRS – Internal Revenue Service
LMI – Low- to Moderate-Income
P&I – Principal and interest
PITI – Principal, interest, taxes, and insurance
RRP – Rent Relief Program
SSN – Social Security Number
TIN – Tax Identification Number
USDA – United States Department of Agriculture
VA – United States Department of Veterans Affairs
VH – Virginia Housing Development Authority (Virginia Housing)
VMRP – Virginia Mortgage Relief Program

Definitions

100% of the area median income for a household means two times the income limit for very low-income families, for the relevant household size, as published by the Department of Housing and Urban Development (HUD) in accordance with 42 U.S.C. 1437a(b)(2) for purposes of the Homeowner Assistance Fund (HAF).

100% of the median income for the United States means the median income of the United States, as published by HUD for purposes of the HAF.

150% of the area median income for a household means three times the income limit for very low-income families, for the relevant household size, as published by HUD in accordance with 42 U.S.C. 1437a(b)(2) for purposes of the HAF.

Area Median Income (AMI) means the midpoint of a region’s income distribution, meaning that half of the households in the region earn more than the median and half earn less than the median. The U.S. Department of Housing and Urban Development (HUD) defines and calculates different levels of AMI for geographic areas across the country. HUD publishes income tables annually at <https://www.huduser.gov/portal/datasets/il.html>.

Applicant means a person who starts an application for the Virginia Mortgage Relief Program (VMRP). Co-owners must be on the same application and must not submit separate applications.

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Application means the electronic form that an applicant must complete, including any required certifications and supporting documentation, to participate in the VMRP.

Applicant Award means the dollar value of all benefits for which an applicant may qualify. It is outlined in an award agreement that the applicant must acknowledge and accept.

Benefit means the program option or options for which an applicant may qualify. For example, mortgage payment assistance, mortgage reinstatement assistance, and/or payment of past due taxes, insurance, and/or homeowner/condominium association fees.

Call Center Representative and/or Case Manager means a VMRP representative available by phone to provide customer service support for application completion, award acceptance, and general program information.

Dwelling means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more individuals.

Eligible Homeowner means a person or persons who own a dwelling who have experienced financial hardship as a result of the COVID-19 pandemic and have incomes equal to or less than 150% of the area median income.

Eligible Property Type means a dwelling owned and occupied as the primary residence of the homeowner that is a single unit home, condominium, cooperative, or manufactured/mobile home. Second homes and other property types are not currently Eligible Property Types for the VMRP.

HAF Plan means the plan developed by Virginia Housing, as required by, and submitted for approval to, Treasury.

Housing obligation means a financial commitment for housing related contracts, goods, and services necessary to maintain ownership and occupancy of a dwelling. These include payment of mortgage loan installments, mobile and manufactured home loan installments, insurance (hazard, flood, and mortgage), homeowner or condominium association fees and special assessments, cooperative fees, and/or real estate property taxes.

Mortgage means any credit transaction that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower for an Eligible Property Type. This includes federally backed, conventional, private, and reverse mortgages. It also includes a loan secured by a manufactured home, or a contract for deed (also known as a land contract).

Pilot means the initial portion of the VMRP open to targeted homeowners who have mortgage loans serviced by Virginia Housing.

Prioritization means the process of assessing categories of homeowners to determine which categories may be served earliest during the VMRP. This allows the program to assist the most vulnerable homeowners first and proceeding to less vulnerable homeowners over time. Such prioritization of homeowners is driven by data analysis to target homeowners demonstrating the greatest need, those in greatest danger of mortgage default and foreclosure.

Qualified Expenses are expenses for the purpose of preventing homeowner mortgage delinquencies, homeowner mortgage defaults, homeowner mortgage foreclosures, and displacement of homeowners experiencing financial hardship. Qualified expenses under the VMRP are limited to homeowner mortgage reinstatement assistance, mortgage payment assistance, and payment of delinquent homeowners' insurance, flood insurance, mortgage

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insurance, homeowner or condominium association fees, and real estate property taxes where such delinquency is the result of financial hardship experienced after January 21, 2020 (including a hardship that began before January 21, 2020, but which continued after that date) due to the coronavirus pandemic. VMRP funds may only be provided with respect to qualified expenses related to the dwelling that is an eligible homeowner's primary residence.

Qualified Financial Hardship means a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner.

Socially disadvantaged individuals are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the HAF participant's jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment under this definition may include being a (1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society, (2) resident of a majority-minority Census tract; (3) individual with limited English proficiency; (4) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or (5) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with a process developed by a HAF participant for determining whether a homeowner is a socially disadvantaged individual in accordance with applicable law, which may reasonably rely on self-attestations.

Introduction

Section 3206 of the American Rescue Plan Act of 2021 authorized the Homeowner Assistance Fund (HAF). The Homeowner Assistance Fund provides \$9.9 billion to states to assist homeowners that have experienced the greatest hardships as a result of the COVID-19 pandemic. Applicable funding uses include delinquent mortgage payments to minimize foreclosures and reduce housing instability resulting from financial hardship induced by the COVID-19 pandemic.

The Department of Treasury (Treasury) allocated funds to states based on homeowner need as of the date of enactment (March 11, 2021), and as determined by reference to one (1) the average number of unemployed individuals over a period of no fewer than three months and no more than 12 months and two (2) the total number of mortgagors with (a) mortgage payments that are more than 30 days past due or (b) mortgages in foreclosure. Pursuant to these guidelines, the HAF allocation for Virginia is \$258,444,431.

On April 14, 2021, Treasury released “Homeowner Assistance Fund Guidance” (HAF Guidance) which outlined policy guidelines for states’ HAF programs. This included a description of qualified expenses, eligibility criteria, and protocols for HAF Plan submission to the Treasury for approval. As discussed below, this HAF Guidance was updated on August 2, 2021 and February 24, 2022.

Virginia Housing Development Authority (Virginia Housing) will manage Virginia’s HAF program which will be known as the Virginia Mortgage Relief Program (VMRP).

Treasury has made 10% of Virginia’s award available to Virginia Housing for a pilot program, and planning and administration costs. Virginia Housing has implemented a VMRP Pilot to test the efficacy of the overall program design in meeting Treasury goals and identified priorities within this HAF Plan.

Needs Assessment and Plan Overview

Treasury requires the development and submission of a HAF Plan that clearly identifies programs designed to meet the observed needs across Virginia. The HAF Plan must be approved by Treasury.

The HAF Plan, inclusive of the Needs Assessment, was developed following a data-driven methodology to identify homeowners most vulnerable to housing instability because of the COVID-19 pandemic. The Needs Assessment is supplemented by qualitative feedback from key public, private, and nonprofit stakeholders. Additionally, Virginia Housing hosted a Public Forum and published the draft HAF Plan dated July 21, 2021 for a public comment period to receive additional feedback from Virginians.

The Needs Assessment provides information and data used to design the VMRP. The data sets span mortgage delinquencies, defaults, foreclosures, and demographic characteristics of Virginia’s homeowner population.

Virginia Housing’s data analyses yield information about Virginia housing trends over time disaggregated by demographic categories and geographic areas, to the extent that such data is available. Virginia Housing is planning to serve homeowners using a targeted

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approach, beginning with those most at risk/in need. This targeted approach was developed to maximize the impact of the available Treasury funding.

Virginia Housing has used the Needs Assessment to develop the resulting priorities for assistance, as described in the HAF Plan. The HAF Plan details the design of each program option Virginia Housing proposes to implement under the VMRP, performance goals, and information regarding Virginia Housing's readiness to implement the programs.

At-risk borrower populations within Virginia are in foreclosure, seriously delinquent (90+ days past due), and those with mortgage loans already in forbearance. Additionally, homeowners who currently do not have mortgage loans, but who are delinquent on real estate property taxes, insurance (homeowners', flood, mortgage), and associated homeownership fees round out Virginia's at-risk homeowner population.

Seriously delinquent eligible homeowners and those in foreclosure will have their unpaid balance and associated fees (if applicable) paid, within program limits, to bring loans current and to reinstate loans in foreclosure. Eligible homeowners with ongoing hardship, demonstrating excessive housing debt to income ratio which makes current and future mortgage payment difficult, may qualify for reinstatement plus payment of mortgage principal and interest, within program limits. Further, eligible homeowners, with or without mortgages, may qualify for assistance with delinquent real estate property taxes, insurance, and fees.

Virginia Housing will monitor the obligation of program funds throughout the life of its proposed program options. Both expansions of funding priorities and the development of new program options may be considered in the future, based on continuing community needs coupled with availability of funding.

Planning, Coordination, and Consistency

Data Sources

Virginia Housing has used a variety of data sources in the development of the Needs Assessment and this HAF Plan. These include publicly available data sources through the U.S. Census Bureau's American Community Survey (ACS), the Bureau of Labor Statistics, the Federal Reserve Bank of Atlanta, and mortgage servicing data obtained through data aggregators, as well as data contained within Virginia Housing's own loan servicing portfolio. Additional details on the data sources and uses are contained in the Needs Assessment portion of this document and can be found in Table 1.

Stakeholder Engagement and Public Comment

Virginia Housing held a statewide forum detailing the funding source requirements, needs assessment, and planned program options on August 5, 2021. The forum was a virtual public meeting designed to solicit feedback from community members, housing service providers, advocates, and counseling agencies, as well as the public.

The public meeting was advertised per Virginia's open meeting requirements. Likewise, a notice of publication of Virginia's HAF Plan was advertised. The public comment period was open from July 21 to August 6, 2021. Public comments were recorded and have been addressed. See Appendix A. Such consultation informed the final version of the HAF Plan.

The public was able to submit written comments regarding Virginia Housing's HAF Plan to comments@virginiamortgagerelief.com. The plan and information about submitting public comments was also posted on the Virginia Housing website www.virginiahousing.com and

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these additional websites controlled by Virginia Housing - Virginiamortgagerelief.com and StayHomeVirginia.com.

Public notices were issued in five local papers of general circulation throughout the state (Richmond, Tidewater, Northern Virginia, Roanoke and Bristol) with information about the Plan and how to submit a public comment. Additional details about the promotion of the public forum, including a copy of the public notice, are included in Appendix B.

Virginia Housing also took stakeholder comments from its existing Homeownership Advisory Board, consisting of industry professionals, and distributed information about the HAF Plan and the public hearing to Virginia Housing's homeownership program stakeholders participating in the Virginia House Bill 854 housing needs study that is currently underway. Additionally, separate meetings have been held where requested to address specific issues related to socially disadvantaged individuals.

Additional methods of soliciting public comment included posting to: (i) the Virginia Town Hall (<https://townhall.virginia.gov/>); (ii) the Virginia Commonwealth Calendar (<https://commonwealthcalendar.virginia.gov/>); (iii) Virginia Housing's headquarters lobby and outside the CEO's office; and (iv) the City of Richmond Circuit Courthouse's public notice board.

Southeastern Housing Finance Agency Coordination

Virginia Housing participates in regular conference calls with other state Housing Finance Agencies (HFAs) in the Southeast region. This coordination has been arranged between the HFAs to support information sharing and programmatic alignment where practicable. Virginia Housing also participates in coordination sessions organized by the National Council of State Housing Finance Agencies.

Housing Counseling Providers and Community-based Organizations Coordination

Virginia Housing provided information about the proposed plan and a copy of the plan to housing counseling and community-based organizations to solicit input and feedback. For a full list of organizations contacted, please see Appendix C which contains Virginia Housing's Treasury HAF Template.

Further, Virginia Housing is committed to providing Housing Counseling resources to support the Virginia HUD-approved Housing Counseling Network. Through a program utilizing Virginia Housing's net revenues and assets, it has provided HUD-approved Housing Counseling Programs approximately \$2.5 million annually. In FY22 we have increased our commitment to \$3.5 million. The increase in funds is to specifically support to housing counseling and education services, to households facing housing instability such as eviction, default, foreclosure, or loss of income that caused or could cause eviction, default, foreclosure or homelessness. These amounts will not be reimbursed to Virginia Housing by HAF funds. Also, Virginia Housing intends to hold information sessions with the housing counselors once the final VMRP program is announced.

Virginia Housing will also include links to the housing counseling network, as well as Virginia Legal Aid network and the Southern Poverty Law Center, on its VMRP website. Virginia Housing has also created a website www.StayHomeVirginia.com with information for homeowners on federal programs, housing counselors, foreclosure prevention and legal aid contacts.

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Housing counseling and legal services providers may be able to support homeowners' efforts at engaging in loss mitigation according to those entities' own internal governing procedures, regulations, and processes. VMRP will engage with housing counseling agencies and legal service providers to ensure that they have an understanding of HAF programming options, goals, and objectives and encourage such providers to undertake loss mitigation support to homeowners or VMRP applicants, as those entities determine to be in the best interest of their clients.

In recognition of Treasury's emphasis on referrals to housing counselors, the VMRP will create a referral notification to be sent by text, email, mail, and/or application portal posting. Though this banner will be visible to all applicants, it is intended to specifically target those applicants whose HTI exceeds 40%. This notification will include instructions for finding housing counseling services to explore options that may help homeowners continue to make future payments.

Impact of August 2, 2021 Treasury Guidance

Treasury issued revised HAF Guidance on August 2, 2021 and February 24, 2022. Virginia Housing has analyzed the new guidance documents and adjusted this HAF Plan as necessary. The most critical change was the broadening of the definition of "Socially Disadvantaged Individuals" with some additional flexibility around qualification dates. This final version of the plan includes the updated definition of "Socially Disadvantaged Individuals" and also reflects an update to the Needs Assessment based on this change. Note that for qualification purposes, the VMRP will use the expanded definition, but still plans to apply the definition at the household level such that if any member of the household is socially disadvantaged, the applicant household may receive prioritized assistance. No other material program design changes have occurred in response to the new guidance.

Needs Assessment

Pandemic Impact Overview

The COVID-19 pandemic and the related economic impacts have had far-reaching effects on Virginia. The health crisis, quarantine, and economic shutdowns have created cascading effects throughout Virginia, all of which have led many Virginians into financial hardship.

Financial hardship resulting from loss or reduction in employment and/or wages, permanent closure of businesses, increased health costs, and, in some cases, an increase in other living expenses have all led to the need for homeowner forbearance and an increase in loan delinquency, as well as the potential for conversion to foreclosure. High rates of homeowners in financial jeopardy could have catastrophic consequences for Virginia's long-term economic outlook and poses a very real and present threat to the lives of Virginia homeowners at risk of further mortgage/loan delinquency and foreclosure.

The 2020 State of the Commonwealth Report¹ analyzed Virginia's economy and focused on the COVID-19 pandemic over the past year. It provides a stark analysis of the pandemic's

¹ Dragas Center for Economic Analysis and Policy, Strome College of Business, Old Dominion University: *2020 State of the Commonwealth*, December 2020.

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impact on Virginia. The report provides additional focus on these impacts as they affect Virginia's Black/African American and Hispanic/Latino residents. Old Dominion University found that nearly a decade of job gains in Virginia were wiped out in a matter of just two months during the pandemic. While 500,000 jobs had been reported as gained since the Great Recession of 2007-2009 through February 2020, 438,000 workers had been temporarily furloughed or permanently laid off by April.²

The rapid increases in unemployment were followed by modest gains in employment [in 2020] as a measure of recovery took place in Virginia. Yet, a disproportionate number of Black/African American Virginians have lost their jobs and face increasingly desperate financial straits. Income and wealth inequities have left Black and Hispanic households with fewer resources to cope with the ongoing economic shock.³

Further, this analysis concluded that data from the U.S. Census Bureau's Small Business Pulse Survey launched in May 2020 reinforces the notion that economic and public health are inextricably linked. "As infections increased in Virginia and the nation in November, the percentage of businesses reducing the number of paid employees increased, eroding the gains made over the summer months. By the end of November, one in nine Virginia businesses responded that they had decreased the number of paid employees."⁴ Layoffs disproportionately affected Black/African American and Hispanic/Latino workers compared to White workers. "Black or African American unemployment is twice that of whites and approximately 1.5 percentage points higher than that of Hispanics or Latinos."⁵

According to the Federal Reserve Bank of Richmond, Virginia's food services, accommodations, arts, entertainment, and recreation industries employed more than 400,000 people, and non-food-related retail workers numbering 320,000. Together these industries account for about 23 percent of the workforce.⁶ These industries were critically affected during the economic shutdown and COVID-19 restrictions as Virginia began to reopen. Current unemployment rates in Virginia stand at a seasonally adjusted 4.5% for May 2021, down from a high of 11.3% in April 2020.⁷

Serious mortgage delinquencies (loans 90 or more days delinquent or in foreclosure) track closely to the unemployment rate, as illustrated below in Table 1Figure 1⁸.

² Id.

³ *2020 State of the Commonwealth*, December 2020, page 4

⁴ Id.

⁵ Id., page 29

⁶

https://www.richmondfed.org/research/regional_economy/regional_matters/2020/rm_04_13_2020_ui_claims_va

⁷ Bureau of Labor Statistics, Report: Regional and State Employment and Unemployment, Virginia

⁸ Id.

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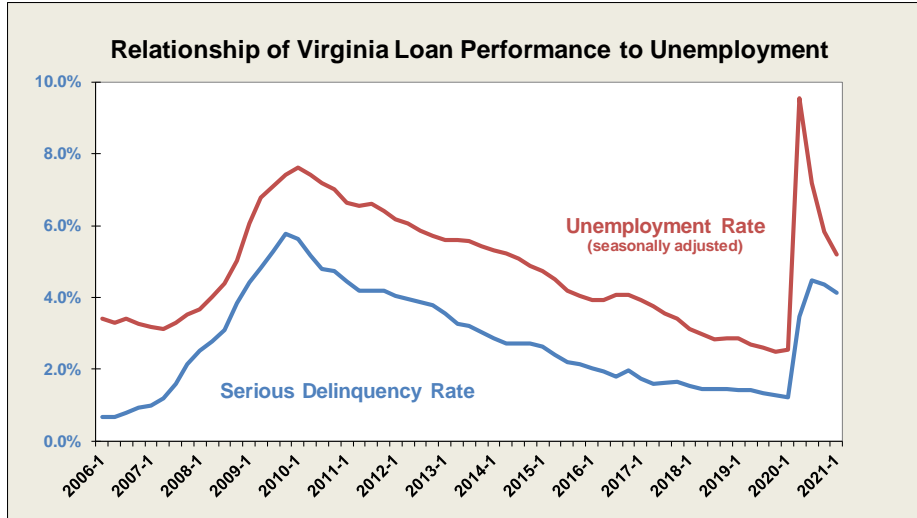


Figure 1: Virginia’s seasonally adjusted unemployment rate tracked alongside seriously delinquent loans from January 2006 through January 2021

Nationally, the mortgage delinquency rate of 7.97% total and 8.65% past due (delinquency plus foreclosure) for single-family one- to four-unit residential properties peaked in the second quarter of 2020 and fell to a seasonally adjusted rate of 6.12% total and 6.66% past due in the first quarter of 2021.⁹ Virginia has fared much better than the national averages having a peak delinquency rate at 4.42% in the second quarter of 2020, which declined to 4.12% in the first quarter of 2021.¹⁰

Virginia Housing’s portfolio of loans includes FHA, VA, USDA, Virginia Housing Development Authority, loans insured with prime rate mortgage insurance, uninsured loans (loan-to-value less than 80%, and loans self-insured by Virginia Housing). FHA and conventional loans make up 92.45% of the portfolio or 49,354 loans of the total 53,385 total loans in the portfolio.

Data-Driven Methodology

Treasury encourages HAF participants to prioritize assistance to homeowners who have FHA, VA, or USDA mortgages and homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers. Further, Treasury guidance requires that HAF resources be used to effectively target homeowners having incomes equal to or less than 100% of the Area Median Income (AMI) or the median income of the United States, whichever is greater, and socially disadvantaged individuals.

Virginia Housing has analyzed demographics, economic conditions, and risk factors for housing instability for the entire state at the county, census tract, and ZIP Code level. The level of investigation has been determined by the availability of data sources, provided in Table 1. The goals of the analysis were to identify variation in Virginia related to housing

⁹ Mortgage Bankers Association’s (MBA) National Delinquency Survey. See <https://www.mba.org/2020-press-releases/august/mortgage-delinquencies-spike-in-the-second-quarter-of-2020>, August 17, 2020. See also <https://www.mba.org/2021-press-releases/may/mortgage-delinquencies-decrease-in-the-first-quarter-of-2021>, May 7, 2021.

¹⁰ Id.

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characteristics, a potential risk for housing instability, and to enable Virginia Housing to make informed, strategic decisions about how to meet the housing needs of homeowners while simultaneously achieving the intent of Treasury, as described in the HAF Program guidance issued on April 14, 2021.

Virginia Housing concluded, based on available datasets (Table 1), that ZIP Code level aggregation provides the most comprehensive coverage of key decision factors for the VMRP. While ZIP Code level aggregation of data was available from multiple sources, it was our conclusion that the detailed loan performance data secured from third-party housing provider CoreLogic was the most comprehensive and applicable to the Virginia Housing prioritization methodology. While the Virginia Housing loan portfolio dataset provides comparable loan performance information at ZIP Code level, there are known differences in some loan variables that make the CoreLogic data more suitable for application to all Virginia loans.

Table 1: Source Data used to support Virginia Housing’s HAF Needs Assessment

ID	Name	Source	Aggregation Level	Date	Description	Website
1	Demographic Data	Census ACS	Zip Code	2015-2019	Homeowner counts, race/ethnicity and age data (to determine socially disadvantaged status), median income data	https://www2.census.gov/geo/tiger/TIGER_DP/2019ACS/
2	CHAS Data	HUD	Locality; county	2013-2017	Area Median Income housing data	https://www.huduser.gov/portal/datasets/cp.html
3	Loan Level Market Analytics Servicing Data for Virginia	CoreLogic	Zip Code	Relatively real-time	Loan origination, loan performance, and forbearance	Bulk download to VH Contractor
4	Custom LLMA Analytics Report for Virginia	CoreLogic	Zip Code	Relatively real-time	Supplemental loan analytics including property information, loan disposition, refinance indicators, other	Bulk download to VH Contractor
5	Open Liens Data for Virginia	CoreLogic	Address-Level	Relatively real-time	Open liens on properties, tax information, mortgage position details	Bulk download to VH Contractor
6	Demographic Info from Location Inc for Virginia	CoreLogic	Zip Code	Relatively real-time	Aggregated demographics for Virginia homeowner population	Bulk download to VH Contractor

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ID	Name	Source	Aggregation Level	Date	Description	Website
7	SVI	CDC	County, census tract	2018	Social vulnerability data	https://www.atsdr.cdc.gov/placeandhealth/svi/data_documentation_download.html
8	SoVI	University of South Carolina	County	2010-2014	Social vulnerability data	http://artsandsciences.sc.edu/geog/hvri/sovi%C2%AE-0
9	Community Resilience Estimates	Census Bureau	County	2018 (2019 available end of June)	Social vulnerability/resilience data	https://experience.arcgis.com/experience/b0341fa9b237456c9a9f1758c15cde8d/
10	Unemployment Numbers	Bureau of Labor Statics	Locality	April 2021	Unemployment figures	https://www.bls.gov/lau/tables.htm
11	Virginia Unemployment Numbers	Virginia Employment Commission	Locality	April 2021	Unemployment figures	https://www.vec.virginia.gov/latest-release-local
12	Consumer Financial Protection Bureau	CFPB	County, metro and non-metro areas (not all available)	September 2020	Mortgage delinquency data	https://www.consumerfinance.gov/data-research/mortgage-performance-trends/download-the-data/
13	Home Values	Virginia Realtors	County	May 2021	Home value data	https://virginiarealtors.org/research/data/
14	Manufactured Homes	VA DOT	Locality	Current	Question as to whether these are eligible	Provided by email
15	U.S. Treasury Department Data	U.S. Treasury			Data on FHA, VA and USDA loans to be provided to State of Virginia	
16	Other State of Virginia Data				Including data on loans serviced by state agencies	https://www2.census.gov/geo/tiger/TIGER_DP/2019ACS/

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ID	Name	Source	Aggregation Level	Date	Description	Website
17	Virginia Housing Mortgage Loan Portfolio	Virginia Housing	ZIP Code	Current	Data on FHA, VA, and USDA loans	Provided by email

Table 2 compares the relative availability of ZIP Code aggregated data for variables critical to the Virginia Housings approach, and where the CoreLogic data fill needed gaps. Analysis at ZIP Code level incorporating important loan performance variables of delinquency and forbearance is only possible through the integration of CoreLogic datasets.

Table 2: Comparison of ZIP Code Aggregated Data Availability

Criteria	Census Tract	ZIP Code	County	Source
% Socially Disadvantaged Population	Yes	Yes	Yes	Census ACS
% Households with Income <=100% AMI	Yes	No*	Yes	HUD CHAS
% in Delinquency (CoreLogic)	No	Yes	No	CoreLogic
% in Forbearance (CoreLogic)	No	Yes	No	CoreLogic
% in Delinquency (VA Housing)	No	Yes	Yes	VA Housing
% in Forbearance (VA Housing)	No	Yes	Yes	VA Housing

Table 3 compares some of the available datasets, particularly of interest as to the loan population and loan status that Virginia Housing can select to best support our analysis.

Table 3: Dataset Comparison

Category	CoreLogic	MacDash	Virginia Housing
Aggregation Level	ZIP Code	ZIP Code	Individual Loan
Number of Loans	580,034	516,795	53,385
Recency	March 2021	January 2021	March 2021
Loan Type Info (e.g., Conventional, FHA, VA)	Yes	No	Yes

Virginia Housing will use the same data methodology for prioritization and targeting of its VMRP Pilot and the full VMRP, as this is more important than accounting for the selected difference between datasets for the respective loan portfolios. This will allow Virginia Housing to use the VMRP Pilot as a test of the methodology and outcomes, and to inform adjustments prior to the launch of the full VMRP statewide. Based on the analysis completed, the Virginia Housing loan portfolio dataset is sufficiently comprehensive to serve in this manner.

Tools to Support the Methodology

Virginia Housing used mathematical and statistical techniques to construct a common data workbook from the data analyses in an established format. This allows rapid ranking and cross-tabulation of demographic, income, and loan performance elements in a manner that directly supports decision-making for program design and implementation. Additional variables such as ZIP Code population can be incorporated for tests on other combinations of data elements, and whether they can further inform prioritization or targeting. Other factors such as variable weighting, to be discussed in more detail in the next sections, can be easily adjusted to determine the impact on the output. This will allow Virginia Housing to apply input from other stakeholders in the VMRP planning process, including public comment and other community engagement initiatives.

To further facilitate decision-making, Virginia Housing constructed a web-based visualization platform that allows mapping of data at the ZIP Code level, based on the data elements that have been determined most significant. Virginia Housing staff use this shared data resource to evaluate specific questions and to explore additional scenarios. A visual resource such as the web map is critical to our process since it is not possible to gain a picture from reams of data in a workbook. “Seeing the data” is important as a supplement to applying the formulas and algorithms to prioritize and rank, for example determining the spatial distribution of low LMI ZIP Codes across the state and determining the localities in their proximity. A link to the Virginia Housing interactive web map follows.

<https://iem.maps.arcgis.com/apps/instant/interactivelegend/index.html?appid=e5e040c8b1f841938295ad18ae193d89>

This visual analysis of the data can be undertaken one variable at a time as shown in Figure 2, or with multivariate views resulting from the layering of different data on the map as illustrated by the menu options in Figure 3.

Virginia Homeowner Assistance Fund Need Index

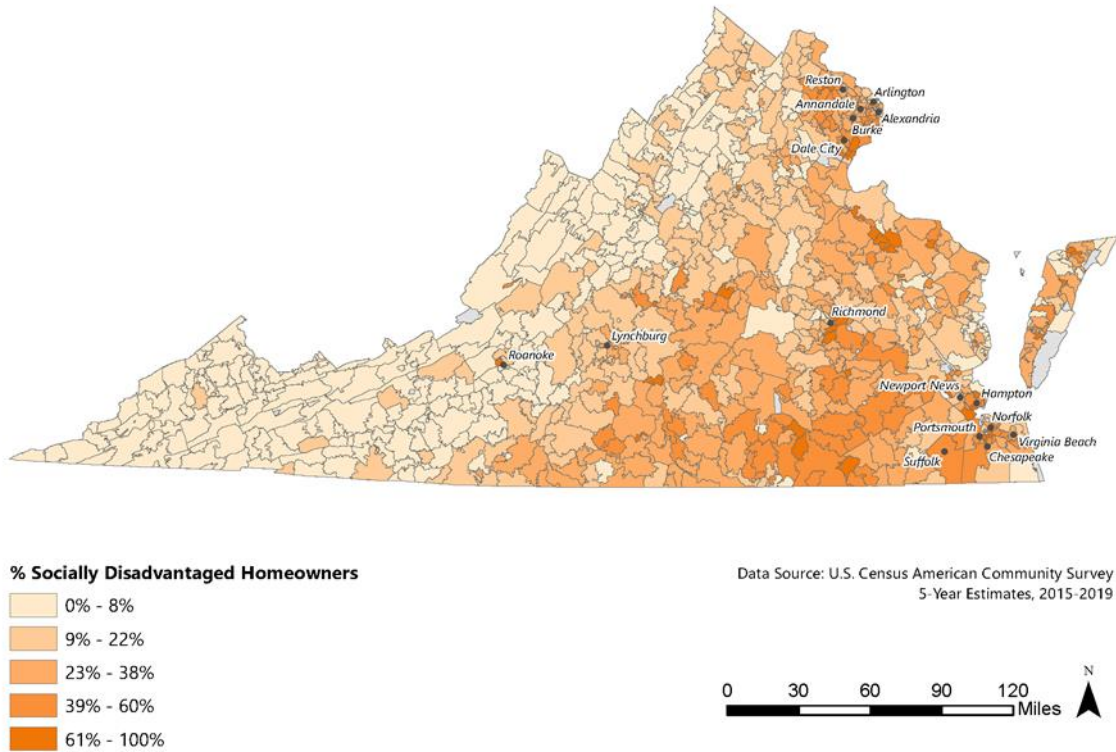


Figure 2: Distribution of HAF Socially Disadvantaged homeowner population by Virginia ZIP Code

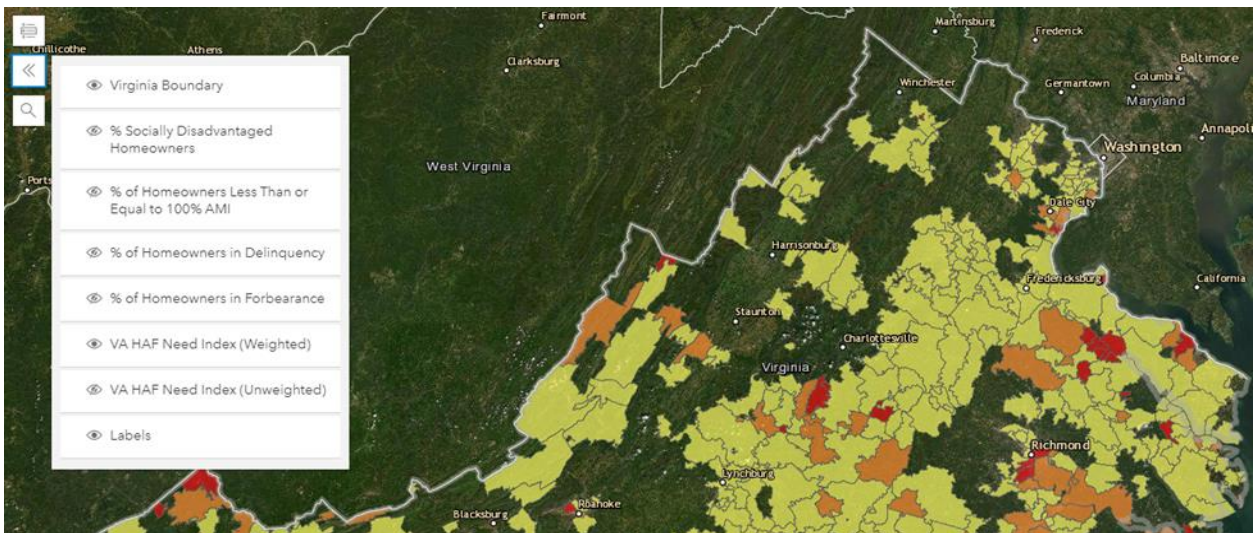


Figure 3: Menu in the interactive web map allows Virginia Housing staff to toggle significant HAF data elements on or off for display on the state map

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Application of the Weighted Index Rank

The Virginia Homeowner Assistance Fund Need Index is a ZIP Code-level index that can be used to help estimate the likelihood that a ZIP Code will contain loans that are a high priority for servicing via the VMRP. This index considers four factors, based on the program’s eligibility criteria:

- Percent of Homeowners who are Socially Disadvantaged (source: U.S. Census Bureau’s American Community Survey (Census ACS) data)
- Percent of Homeowners <= 100% Area Median Income (source: United States Department of Housing and Urban Development (HUD) CHAS data)
- Percent of Homeowners in Delinquency (source: CoreLogic data)
- Percent of Homeowners in Forbearance (source: CoreLogic data)

The unweighted index is a straight average of the four factors, while the weighted index attempts to correct for the differences in scale of the four factors—Socially Disadvantaged and AMI hover around 20-40% on average, while delinquency and forbearance are closer to 5%— then weights them by the following values:

Factor	Weight
Socially Disadvantaged	1
<= 100% Area Median Income	1.5
Delinquency	1.5
Forbearance	1.25

The formula is $((1/\text{Average}) * \text{Weight})$ for each factor.

The base geography used for the mapping and analysis in this index is the Census ACS 2019 5YR ZCTA feature class. The other datasets (HUD CHAS and CoreLogic) use slightly different ZIP Code datasets. These discrepancies introduce some error into the index where data may be missing for a particular ZIP Code in one or more of the datasets. We have noted missing data across each of the datasets for all included ZIP Codes. Currently, if data is missing for one or more of the factors, the index treats it as zero, which may artificially bring down the value for that ZIP Code. ZIP Codes with missing or null data across all four factors were excluded. Additionally, some areas of the state, such as wilderness preserves and military bases, are not included in the Census ACS ZIP Code dataset. As these areas are unlikely to contain residential properties that would be eligible for this program, this omission is unlikely to have any impact on the efficacy of the index.

This index tells us the relative likelihood that households in each ZIP Code will meet the eligibility criteria for the HAF program. It does not indicate how many homeowners might be eligible in those ZIP Codes. Virginia Housing defined the index using the specific four factors discussed because they are judged to be most applicable to targeting loans in arrears. Since Virginia Housing’s first priority for disbursement of VMRP funds is in support of mortgage loan reinstatement, in our judgment this weighting and index will result in the best ranking scheme for targeting these borrowers geographically.

Virginia Housing tested the methodology initially on the full Virginia mortgage loan datasets to determine effectiveness within other program considerations such as available budget

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(allocation) and the projected average disbursement amount for reinstatement for each loan. Table 4 provides an illustration for the application of the weighted index on the statewide data. Table 5 provides the same methodology applied to the Virginia Housing mortgage loan portfolio. These tables both rank the top 30 highest risk ZIP Codes for illustrative purposes to validate the ranking methodology.

To determine the Rural versus Urban designation for each ZIP Code, Virginia Housing applied the US Census guidance in common use, which looks at whether a ZIP Code is in a Metropolitan Statistical Area (MSA). If so, the ZIP Code is designated urban. If not, the ZIP Codes are designated rural. For ZIP Codes that are partially in an MSA, they are designated as urban if they are at least 50% in an MSA. In addition to the important rural versus urban determination that will help Virginia Housing determine the relative servicing levels for the two loan populations, Virginia Housing can introduce additional data relevant to its Program design. For example, determining the percentage of each loan type for the ranked ZIP Code – another “leveling” or equity factor that can impact program design and the disbursement of allocated funds.

Table 4: Illustration of Application of Weighted Index Statewide in Terms of Mortgage Loan Risk

ZIP Code	Urban Rural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
23604	Urban	1	0.598006049	0.333333333	0.333333333	0.408073784
24581	Urban	1	0.640677966	0.4	0.2	0.382594552
23115	Rural	0.952380952	0	0.272727273	0.363636364	0.353289848
23359	Rural	0.309734513	0.522093595	0.176470588	0.352941176	0.284705815
23976	Rural	0	0.414851485	0.4	0.2	0.281271807
22476	Rural	0.653846154	0.333333333	0.25	0.166666667	0.255078233
23523	Urban	0.883474576	0.718004482	0.14511041	0.138801262	0.242843246
23357	Rural	0.609561753	0.476826833	0.181818182	0.181818182	0.237662316
23968	Rural	0.331491713	0.442642107	0.2	0.2	0.226743077
23504	Urban	0.829278351	0.525039624	0.132055378	0.133120341	0.217994901
22436	Rural	0.767123288	0.339280438	0.166666667	0.119047619	0.209642186
24607	Rural	0	0.615384615	0.2	0.2	0.20875932
22448	Rural	0	0.347457627	0.285714286	0.142857143	0.204130971
23607	Urban	0.800461741	0.590619058	0.109375	0.1125	0.201215988
24433	Rural	0	0.477386935	0.2	0.2	0.200062702
23126	Urban	0.45625	0.452205882	0.133333333	0.166666667	0.195689821
23828	Rural	0.427184466	0.397240082	0.1875	0.125	0.195083575
22946	Urban	0	0.595636364	0.157894737	0.210526316	0.194053064
22646	Urban	0.444444444	0	0.181818182	0.181818182	0.193232419
23307	Rural	0.697916667	0.403225806	0.083333333	0.166666667	0.192362601
23224	Urban	0.786962079	0.634013833	0.110534125	0.086053412	0.192051512
23223	Urban	0.818462557	0.581930282	0.105792577	0.083593479	0.18845055
23704	Urban	0.63306744	0.516684099	0.111932418	0.121436114	0.186857013
22438	Rural	0.666666667	0.346610937	0.125	0.125	0.186140302

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24011	Urban	0	0.200175832	0.2	0.2	0.18259285
24620	Rural	0	0.644948079	0.166666667	0.166666667	0.182292783
23879	Rural	0.496503497	0.474264706	0.1	0.15	0.179325038
23839	Urban	0.4	0.382068988	0.16	0.12	0.177931136
23022	Urban	0.703910615	0.512003821	0.111111111	0.083333333	0.176221352
23324	Urban	0.518761726	0.549756832	0.114189189	0.110135135	0.175153884

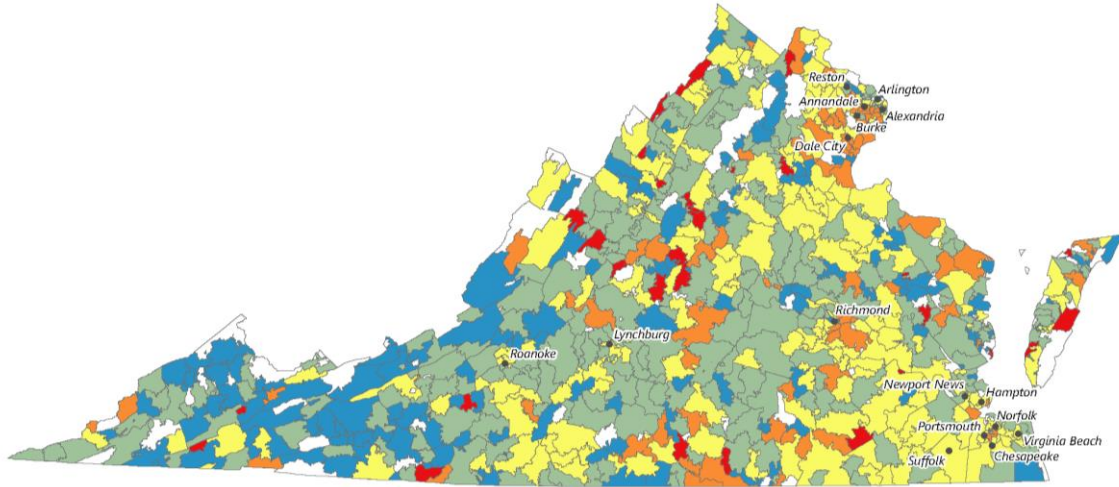
Table 5: Illustration of Application of Weighted Index for Virginia Housing Mortgage Portfolio

ZIP Code	Urban/Rural	Conv With PMI	Conv No PMI	FHA	RHS	VA
23512	Urban	0.0%	0.0%	100.0%	0.0%	0.0%
23115	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
24126	Urban	0.0%	0.0%	0.0%	100.0%	0.0%
24270	Urban	0.0%	0.0%	0.0%	100.0%	0.0%
24469	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
23347	Rural	0.0%	0.0%	50.0%	50.0%	0.0%
22846	Urban	0.0%	0.0%	50.0%	50.0%	0.0%
22718	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
23915	Rural	0.0%	33.3%	0.0%	66.7%	0.0%
23304	Urban	0.0%	0.0%	100.0%	0.0%	0.0%
24072	Rural	0.0%	0.0%	71.4%	28.6%	0.0%
22971	Urban	0.0%	66.7%	33.3%	0.0%	0.0%
23423	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
23964	Rural	0.0%	0.0%	0.0%	100.0%	0.0%
23897	Urban	20.0%	20.0%	40.0%	0.0%	20.0%
22937	Urban	0.0%	80.0%	20.0%	0.0%	0.0%
24280	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
22850	Urban	0.0%	0.0%	100.0%	0.0%	0.0%
23125	Urban	50.0%	0.0%	50.0%	0.0%	0.0%
22722	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
22810	Rural	0.0%	0.0%	0.0%	100.0%	0.0%
24432	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
24459	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
24464	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
23899	Urban	0.0%	33.3%	66.7%	0.0%	0.0%
23426	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
22654	Rural	0.0%	0.0%	100.0%	0.0%	0.0%
22935	Rural	0.0%	100.0%	0.0%	0.0%	0.0%
24053	Rural	0.0%	0.0%	75.0%	25.0%	0.0%
20141	Urban	12.5%	50.0%	37.5%	0.0%	0.0%

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Figure 4 shows the weighted index map at the ZIP Code level for the Virginia Housing loan portfolio, applying the ranking methodology.

Virginia Homeowner Assistance Fund Need Index Virginia Housing Loan Portfolio



Weighted Index
 ■ Highest Loan Risk
 ■ Significant Loan Risk
 ■ Moderate Loan Risk
 ■ Lower Loan Risk
 ■ Lowest Loan Risk
 □ No Virginia Housing Loans

Data Source: Virginia Housing 1st Mortgage Portfolio, March 2021



Figure 4: Weighted loan risk index for mortgage loans in the Virginia Housing portfolio mapped at ZIP Code level of aggregation. The ZIP Codes colored white reflect no loans from the portfolio in those geographic areas.

Table 6 provides statistics on loan types for all ZIP Codes in the Virginia Housing mortgage portfolio, including urban and rural ZIP Codes.

Table 6: Distribution of loan types in the Virginia Housing portfolio

Total Urban Zip Codes	Conv With PMI	Conv No PMI	FHA	RHS	VA
468	11.80%	20.30%	62.00%	2.80%	3.00%
Total Rural Zip Codes	Conv With PMI	Conv No PMI	FHA	RHS	VA
294	5.60%	16.70%	51.60%	23.90%	2.20%

Virginia Pilot Program Application

The data-driven prioritization using the described methodology has proven to be a defensible means to target the loan population at the ZIP Code level. Virginia Housing can apply the

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methodology using its own loan portfolio data and for the larger CoreLogic loan performance data sets. Virginia Housing began conducting a Pilot Program on July 27, 2021, based on its loan portfolio data. The resulting ranked ZIP Codes will be used to target specific areas with high-risk borrowers to encourage them to apply for the Pilot. Because Virginia Housing has address level resolution on our borrowers, we will employ callouts and direct mailing to maximize participation. Based on the analyzed loan profile, the Pilot loan profile will be a statistically significant sample to inform the delivery of the VMRP and will show that the data-driven assessment at the ZIP Code level of aggregation is an effective way of prioritizing support to the target population based on socially disadvantaged, income, and geographic considerations.

A comparison of Table 7 and Table 8 illustrates that while the loan types represented in the CoreLogic data at ZIP Code level differ somewhat from the loan types carried in Virginia Housing's portfolio, there are sufficient percentages and resultant counts for delinquent and forbore cases of the types prioritized in the Treasury guidance that Virginia Housing can conclude that the portfolio will provide an adequate sample in the Pilot to fully test the approach.

Table 7: CoreLogic Loan Performance Information for the larger Virginia mortgage delinquent and in-forbearance population

Loan Type	Loans	Percentage	Delinquency	Delinquency Percentage	Forbearance	Forbearance Percentage
Conventional	412,914	71.2%	15,254	3.7%	15,941	3.9%
FHA	71,242	12.3%	9,977	14.0%	8,554	12.0%
USDA	7,345	1.3%	904	12.3%	793	10.8%
VA	87,623	15.1%	5,559	6.3%	4,957	5.7%
Other Government	593	0.1%	39	6.6%	2	0.3%
Else	317	0.1%	22	6.9%	23	7.3%
Totals	580,034	100.0%	31,755	5.5%	30,270	5.2%

Table 8: Loan performance information from the Virginia Housing mortgage loan portfolio

Loan Type	Loans	Percentage	Delinquency	Delinquency Percentage	Forbearance	Forbearance Percentage
Conventional Res with PMI	6,035	11.3%	262	4.3%	272	4.5%
Conventional Res without PMI	10,679	20.0%	863	8.1%	738	6.9%
FHA Residential	32,640	61.1%	4,689	14.4%	3,582	11.0%
RHS	2,463	4.6%	279	11.2%	145	5.9%
VA Residential	1,568	2.9%	119	7.6%	60	3.8%
Totals	53,385	100.0%	6,209	11.6%	4,797	9.0%

Data collected from the applicants to the Pilot program will be critical to the assessment of:

- The effectiveness of targeting versus the predictive ranking.
- Determining the level of likely fallout (failure of borrowers in a ZIP Code to complete the process and get a disbursement) for the VMRP implementation.
- Lessons that will drive modification of VMRP policies and procedures.

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A final important observation is that while the weights assigned to variables in the Weighted Index are the same, the calculated Index values and the resultant ZIP Code rankings will be different between the Virginia Housing portfolio and the CoreLogic portfolio for the broader application in the VMRP. This is because the individual variables that make up the Index have different values for each ZIP Code in one dataset versus the other. Virginia Housing would not apply the ranking and priorities used in the Pilot to the broader VMRP. The calculations and resultant ranking must be analyzed separately. However, the application of the methodology as related to our goals does not differ, and the Pilot will provide confidence in the application of the methodology supporting VMRP options Virginia Housing undertakes.

Virginia Mortgage Relief Program Data Application Using Treasury’s First Socially Disadvantaged Definition

Applying the same methodology, in this case using the CoreLogic datasets with the larger loan performance portfolio, Virginia Housing uses the Weighted Index to rank and prioritize ZIP Codes at the highest loan risk and significant loan risk for targeted outreach. Figure 5 shows the distribution of loan risk using the Weighted Index approach with the larger CoreLogic dataset.

Virginia Homeowner Assistance Fund Need Index

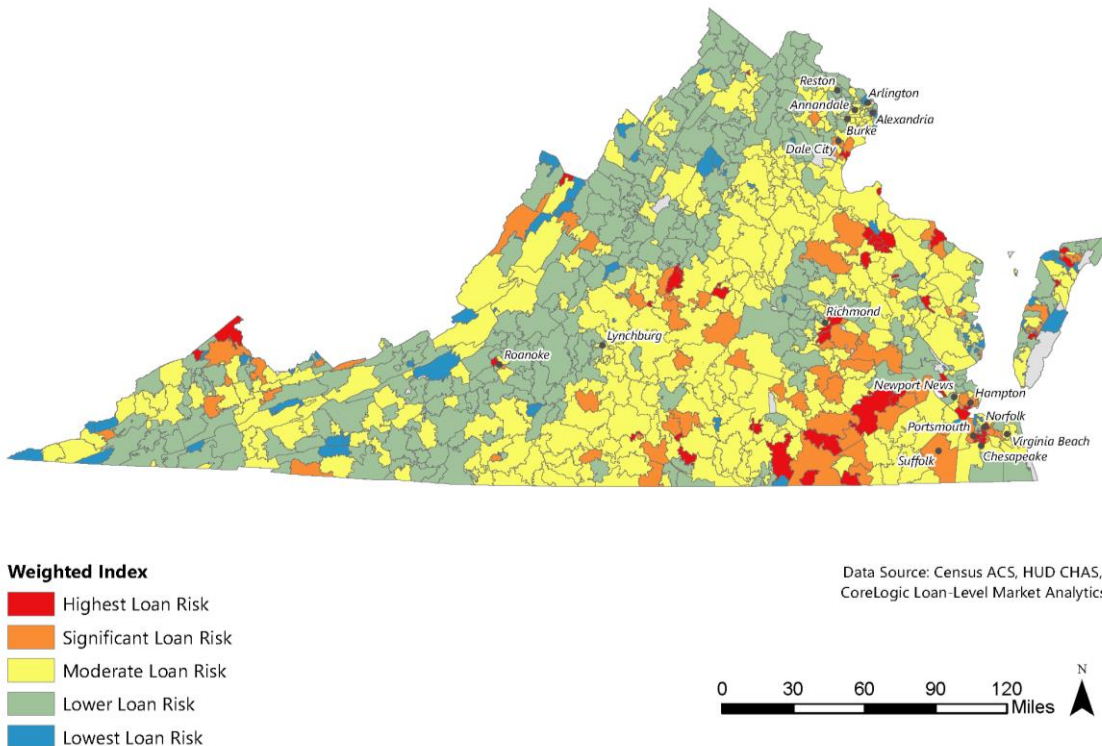


Figure 5: Application of the Weighted Index using the CoreLogic datasets to determine ranking of ZIP Codes with different levels of mortgage loan risk

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There are 48 Virginia ZIP Codes that we judge to be at the highest loan risk and another 79 ZIP Codes at significant loan risk. Taken together that is a set of 127 ZIP Codes out of a total of 896 in Virginia (14%) that we would prioritize first in terms of VMRP targeting and outreach. There are an additional 343 ZIP Codes judged to be at moderate loan risk, with a total of 407 ZIP Codes in the two lowest ranking loan risk categories. Table 9 shows the top 48 ranked ZIP Codes at highest loan risk, with the distribution of loan types for each, in this case with types defined in the CoreLogic datasets. Similarly, Table 10 shows the ZIP Codes with the next highest risk level, which has been designated as significant.

In the discussion on the application of the data for the Virginia Housing Pilot, we made the point of using actual data as collected from applicants to track and report how the intake looks relative to the predictive analytics. Virginia Housing will apply the same process in the VMRP, with periodic reporting of the detail to the Treasury. Based on what the actual data shows versus the predictive ranking and prioritization and the Virginia Housing performance goals, adjustments will be made to best align our priority VMRP reinstatement program. Virginia Housing will also use the same data approach and feedback to inform outcomes of any additional VMRP options that allocated funding allows.

Table 9: Top 48 high loan risk ZIP Codes in Virginia based on application of the Weighted Index demonstrating urban versus rural designation.

ZipCode	UrbanRural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
23604	Urban	1	0.598006049	0.333333333	0.333333333	0.408073784
24581	Urban	1	0.640677966	0.4	0.2	0.382594552
23115	Rural	0.952380952	0	0.272727273	0.363636364	0.353289848
23359	Rural	0.309734513	0.522093595	0.176470588	0.352941176	0.284705815
23976	Rural	0	0.414851485	0.4	0.2	0.281271807
22476	Rural	0.653846154	0.333333333	0.25	0.166666667	0.255078233
23523	Urban	0.883474576	0.718004482	0.14511041	0.138801262	0.242843246
23357	Rural	0.609561753	0.476826833	0.181818182	0.181818182	0.237662316
23968	Rural	0.331491713	0.442642107	0.2	0.2	0.226743077
23504	Urban	0.829278351	0.525039624	0.132055378	0.133120341	0.217994901
22436	Rural	0.767123288	0.339280438	0.166666667	0.119047619	0.209642186
24607	Rural	0	0.615384615	0.2	0.2	0.20875932
22448	Rural	0	0.347457627	0.285714286	0.142857143	0.204130971
23607	Urban	0.800461741	0.590619058	0.109375	0.1125	0.201215988
24433	Rural	0	0.477386935	0.2	0.2	0.200062702
23126	Urban	0.45625	0.452205882	0.133333333	0.166666667	0.195689821
23828	Rural	0.427184466	0.397240082	0.1875	0.125	0.195083575
22946	Urban	0	0.595636364	0.157894737	0.210526316	0.194053064
22646	Urban	0.444444444	0	0.181818182	0.181818182	0.193232419
23307	Rural	0.697916667	0.403225806	0.083333333	0.166666667	0.192362601
23224	Urban	0.786962079	0.634013833	0.110534125	0.086053412	0.192051512
23223	Urban	0.818462557	0.581930282	0.105792577	0.083593479	0.18845055
23704	Urban	0.63306744	0.516684099	0.111932418	0.121436114	0.186857013
22438	Rural	0.666666667	0.346610937	0.125	0.125	0.186140302
24011	Urban	0	0.200175832	0.2	0.2	0.18259285
24620	Rural	0	0.644948079	0.166666667	0.166666667	0.182292783
23879	Rural	0.496503497	0.474264706	0.1	0.15	0.179325038

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ZipCode	UrbanRural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
23839	Urban	0.4	0.382068988	0.16	0.12	0.177931136
23022	Urban	0.703910615	0.512003821	0.111111111	0.083333333	0.176221352
23324	Urban	0.518761726	0.549756832	0.114189189	0.110135135	0.175153884
23222	Urban	0.747111195	0.61123302	0.091984231	0.074244415	0.174238931
23513	Urban	0.58910162	0.580734878	0.099800399	0.101297405	0.173357649
23488	Rural	0.821138211	0.480769231	0.166666667	0	0.172770374
23234	Urban	0.655782939	0.56174053	0.098161523	0.090282337	0.172598313
24448	Rural	0.097826087	0.505936073	0.153846154	0.153846154	0.171156019
24539	Rural	0.697674419	0.39115957	0.2	0	0.170562248
23938	Rural	0	0.446396987	0.266666667	0.066666667	0.169941296
23702	Urban	0.347587719	0.620736465	0.134328358	0.101492537	0.169627884
23867	Urban	0.46298984	0.526150178	0.132653061	0.091836735	0.168908902
23032	Rural	0.052173913	0.3310204	0.208333333	0.125	0.167120108
23890	Rural	0.555037313	0.512352635	0.103825137	0.098360656	0.166549444
24017	Urban	0.668287741	0.612415742	0.089065256	0.074955908	0.166507657
23868	Rural	0.449429038	0.4317907	0.125	0.109375	0.165961696
23661	Urban	0.612884996	0.553421601	0.09360519	0.084337349	0.163876664
22488	Rural	0.305714286	0.450793651	0.101694915	0.152542373	0.163029767
22026	Urban	0.666154791	0.300561125	0.09986413	0.101902174	0.16269538
22937	Urban	0.489393939	0.593343713	0.116504854	0.077669903	0.162559201
23603	Urban	0.582733813	0.452862207	0.08974359	0.102564103	0.161000094

Table 10: ZIP Codes with Significant Loan Risk Levels

ZipCode	UrbanRural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
23605	Urban	0.505054287	0.55916681	0.094656489	0.094656489	0.15967196
23486	Rural	0	0	0.25	0.125	0.159454909
22191	Urban	0.663693449	0.36772522	0.086412512	0.0971652	0.158977537
23894	Urban	0.518987342	0.56417251	0.121212121	0.060606061	0.158064845
24016	Urban	0.53008596	0.48748787	0.092827004	0.097046414	0.157569543
24598	Rural	0.136276392	0.40020093	0.169811321	0.113207547	0.157402053
23125	Urban	0	0.41721854	0.153846154	0.153846154	0.15704525
23075	Urban	0.540246914	0.60233426	0.099378882	0.069875776	0.156957451
23502	Urban	0.512939615	0.50458735	0.094840668	0.093323217	0.156432026
23803	Urban	0.579538206	0.55616497	0.091747349	0.071922545	0.155088769
23509	Urban	0.437810945	0.4786194	0.100732601	0.097985348	0.152738365
23829	Rural	0.288690476	0.42928726	0.137254902	0.098039216	0.152214612
23337	Rural	0	0.48076923	0.142857143	0.142857143	0.151710779
23805	Urban	0.549322558	0.49215542	0.093815149	0.076441974	0.1512206
24614	Rural	0.025913929	0.57055515	0.15625	0.109375	0.151126918
23701	Urban	0.535335401	0.53224124	0.091312932	0.070582428	0.148978073
22172	Urban	0.664251208	0.33447819	0.08411215	0.079439252	0.148433249
23231	Urban	0.527044293	0.44339547	0.095372993	0.079320113	0.148091489

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ZipCode	UrbanRural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
23413	Rural	0.594771242	0.3992	0.083333333	0.083333333	0.147780977
22427	Urban	0.29954955	0.51080962	0.104046243	0.104046243	0.146707091
24225	Rural	0	0.56513759	0.130434783	0.130434783	0.14647005
23666	Urban	0.571260519	0.40633468	0.082057716	0.084065245	0.145950366
22193	Urban	0.600818833	0.34835981	0.081209503	0.086969042	0.145741541
23608	Urban	0.499080671	0.47404837	0.089581951	0.078964831	0.144971624
23921	Rural	0.346232179	0.36303897	0.11827957	0.096774194	0.144435715
23840	Urban	0.172279793	0.55465416	0.119266055	0.100917431	0.143538898
20109	Urban	0.529442509	0.41113863	0.079697987	0.085989933	0.14242281
23827	Rural	0.385572139	0.39850808	0.115384615	0.076923077	0.140444994
24243	Rural	0.042477876	0.52741148	0.135135135	0.108108108	0.140323575
23663	Urban	0.553092599	0.48590452	0.079952267	0.064439141	0.140162015
23325	Urban	0.394096812	0.44023584	0.098489823	0.084701248	0.139923157
23967	Rural	0.390052356	0.43046119	0.111111111	0.074074074	0.139821049
23937	Rural	0.338753388	0.44736516	0.105263158	0.087719298	0.139716346
23707	Urban	0.355741279	0.4934819	0.09025641	0.087179487	0.137484035
23703	Urban	0.430865708	0.36389138	0.091596639	0.08907563	0.137234739
23434	Urban	0.432871153	0.39792137	0.08975282	0.083993281	0.13661334
23897	Urban	0.504854369	0.54041021	0.045454545	0.090909091	0.135935342
23888	Rural	0.444444444	0.63404243	0.084033613	0.050420168	0.135827028
23092	Rural	0.301724138	0.50703155	0.090909091	0.090909091	0.135493266
23420	Rural	0.467043315	0.46191438	0.098901099	0.054945055	0.135196692
24363	Rural	0.029821074	0.65913188	0.107142857	0.107142857	0.135195178
23669	Urban	0.434874841	0.44023511	0.084926355	0.077718584	0.134738248
23161	Urban	0	0.45220588	0.125	0.125	0.13473413
23846	Urban	0.249084249	0.38389831	0.119402985	0.089552239	0.134704732
23432	Urban	0.327731092	0.42460565	0.100775194	0.085271318	0.134373061
23960	Rural	0.495901639	0.55158924	0.098360656	0.032786885	0.133733085
24562	Rural	0.113924051	0.45969554	0.111111111	0.111111111	0.133323894
24013	Urban	0.089285714	0.71052705	0.113924051	0.075949367	0.133269688
23883	Urban	0.536363636	0.33227665	0.065693431	0.087591241	0.132772425
23030	Rural	0.554815263	0.52816715	0.07641196	0.043189369	0.132455305
23176	Rural	0.153005464	0.5402139	0.090909091	0.109090909	0.132343944
22435	Rural	0.380090498	0.41289673	0.085714286	0.085714286	0.131970897
22546	Urban	0.308734053	0.45488217	0.090575275	0.088127295	0.131495324
24589	Rural	0.319735391	0.39821774	0.078947368	0.105263158	0.131199839
23882	Urban	0.494672755	0.57654356	0.074766355	0.046728972	0.131066772
24563	Rural	0.188836105	0.53504152	0.106481481	0.083333333	0.130843689
24637	Rural	0.014667817	0.45559581	0.118421053	0.118421053	0.130633827
23442	Rural	0.413680782	0.53536676	0.085714286	0.057142857	0.130496139
24366	Rural	0	0.46056685	0.142857143	0.095238095	0.130240559
23237	Urban	0.33753453	0.48045459	0.087153652	0.078085642	0.129899357
23083	Urban	0.351309707	0.49088135	0.08	0.08	0.12952243
23040	Urban	0.363387978	0.46913181	0.102222222	0.057777778	0.129239508

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ZipCode	UrbanRural	SocDisPct	AMI100Pct	DelinquencyPct	ForbearancePct	WeightedIndex
24432	Rural	0.057971014	0.60835602	0.2	0	0.128537467
22469	Rural	0.561832061	0.45079365	0.05952381	0.05952381	0.127928251
23860	Urban	0.339451176	0.54265262	0.082983193	0.067752101	0.127827575
23847	Rural	0.54031725	0.44142677	0.079822616	0.044345898	0.127668892
24484	Rural	0	0.52519713	0.055555556	0.166666667	0.127440469
24459	Rural	0.081081081	0.48540173	0.131578947	0.078947368	0.12715588
23004	Rural	0.5	0.4447884	0.065217391	0.065217391	0.127003686
24089	Rural	0.332159624	0.53600532	0.08	0.07	0.126456957
24613	Rural	0	0.5566217	0.142857143	0.071428571	0.126195406
24566	Urban	0.263157895	0.45180562	0.081081081	0.094594595	0.126033031
23303	Rural	0.354700855	0.48076923	0.065217391	0.086956522	0.125837328
22922	Rural	0.462222222	0.58894571	0.052631579	0.061403509	0.125822344
23462	Urban	0.386830082	0.44694359	0.075303644	0.074696356	0.125598027
22969	Urban	0.040449438	0.61575322	0.103448276	0.091954023	0.125371953
24622	Rural	0.02173913	0.60748232	0.133333333	0.066666667	0.125219458
22309	Urban	0.49752733	0.37862389	0.063395571	0.072514112	0.124937827
24646	Rural	0	0.63106977	0.2	0	0.124920126

Unemployment by Owner by Region

While the relationship between unemployment driven by COVID and homeowner loan performance is a logical conclusion, the interpretation of unemployment attributed to homeowners with delinquent mortgages is not a straightforward endeavor. The Virginia Employment Commission (VEC) provides public-facing data on unemployment numbers and rates by locality in Virginia. The data is normally current within 30-45 days. However, this data does not differentiate homeowners from renters. Cross tabulating the unemployment data with loan delinquency or other loan data may not be a viable means of weighting loan risk by the geographic area without being able to confirm the specific unemployment rates for not only homeowners but homeowners with current or delinquent mortgages. An extract from the VEC dataset is illustrated in Figure 6.

Area Name	Year	Month	Civ Lab Force	Employment	Unemp Num	Unemp Rate
VA BEACH-NORFOLK-NEWPORT NEWS, VA-NC MSA	2020	04	850,877	745,735	105,142	12.4
Va Part Kingsport-Bristol-Bristol TN-VA MSA	2021	04	40,735	39,207	1,528	3.8
	2021	03	41,338	39,348	1,990	4.8
	2020	04	43,036	38,090	4,946	11.5
VA Part of Va Bch-Norf-Nprt News, VA-NC MSA	2021	04	803,530	766,654	36,876	4.6
	2021	03	813,781	766,419	47,362	5.8
	2020	04	833,013	730,042	102,971	12.4
VA PART OF WASH-ARLNGTN-ALX, DC-VA-MD-WV MD	2021	04	1,605,033	1,548,717	56,316	3.5
	2021	03	1,610,879	1,537,056	73,823	4.6
	2020	04	1,650,545	1,484,336	166,209	10.1
VA PART WINCHESTER, VA-WV MSA	2021	04	62,983	61,105	1,878	3.0
	2021	03	62,913	60,408	2,505	4.0
	2020	04	63,996	57,532	6,464	10.1
WINCHESTER, VA-WV MSA	2021	04	74,140	71,878	2,262	3.1
	2021	03	73,878	70,900	2,978	4.0
	2020	04	74,206	66,799	7,407	10.0

Figure 6: Extract of Virginia Employment Commission Dataset

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The use of an unemployment proxy for defining a loan risk factor in this way is risky as it can easily lead to an erroneous conclusion. The tabulation of the data by locality rather than ZIP Code presents other challenges, mainly that a 1:1 spatial relationship is difficult to defend statistically for all ZIP Codes based on the differences in the distribution of population between ZIP Code and other available levels of aggregation such as Census tract.

Housing Distribution

Virginia is home to more than 8.5 million people, spread across 133 counties and independent cities. Of the approximately 3.5 million housing units throughout Virginia, 60% are owner-occupied. Within Virginia, there are 2,087,711 owner-occupied housing units, 1,433,704 homes with a mortgage, and 221,454 with second mortgages according to Census ACS data. Figure 7 shows mortgage distribution density by ZIP Code.

Homes with a Mortgage by Zip Code

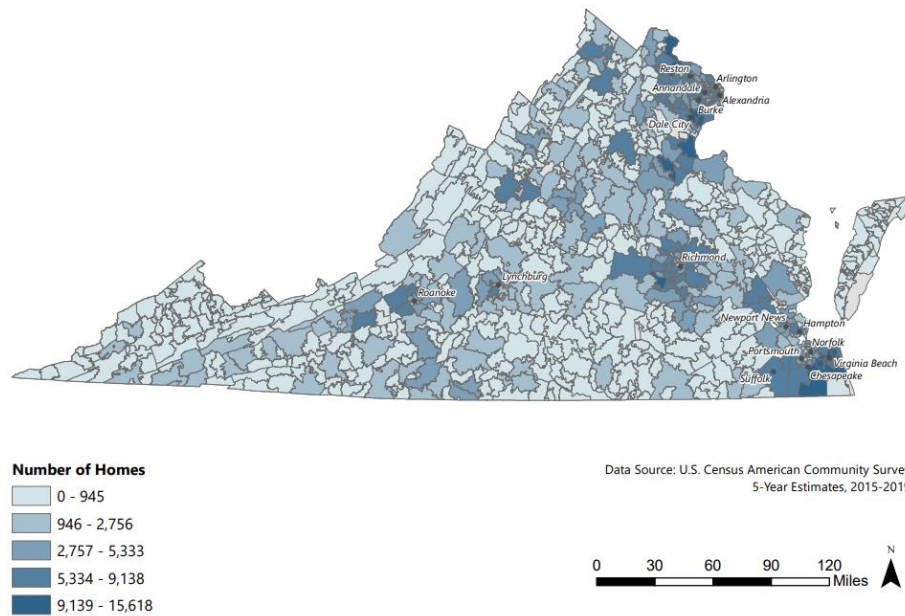


Figure 7: Mortgage Distribution in Virginia

Homes with mortgages exist throughout Virginia, with concentration as expected in urban areas. Eighty nine percent of active mortgages within Virginia are in urban areas, according to the CoreLogic data. Rural localities with large shares of older homeowners have much lower numbers of homes with mortgages than they do homeowners. Homes with mortgages are very heavily concentrated in large metropolitan areas, and especially localities with relatively younger populations. Twenty five percent of homeowners within Virginia qualify as socially disadvantaged based on race/ethnicity, as defined by the U.S. Treasury.

Loans within Virginia Housing’s portfolio are represented with a smaller footprint in the northern Virginia and DC suburban areas when compared to Virginia’s homes with a mortgage. Virginia Housing’s footprint in Richmond is strong, especially in the southern part of the city, compared to statewide data. And Virginia Housing’s Virginia Beach/Norfolk distribution skews western compared to the statewide data. See Figure 8.

Virginia Housing Loans by Zip Code

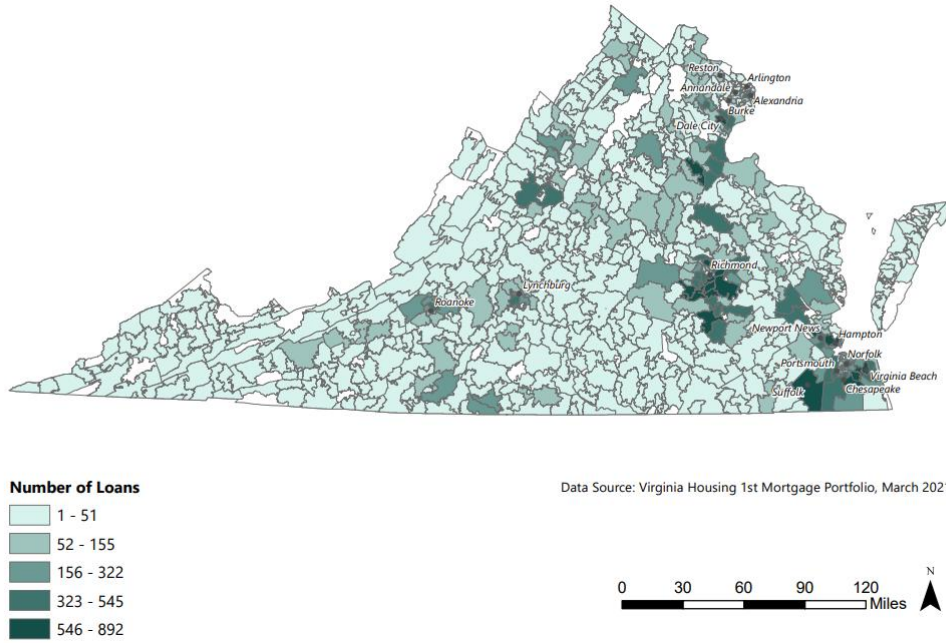


Figure 8: Distribution of Mortgage Loans within Virginia Housing’s Loan Portfolio

Homeowners <= 100% Area Median Income

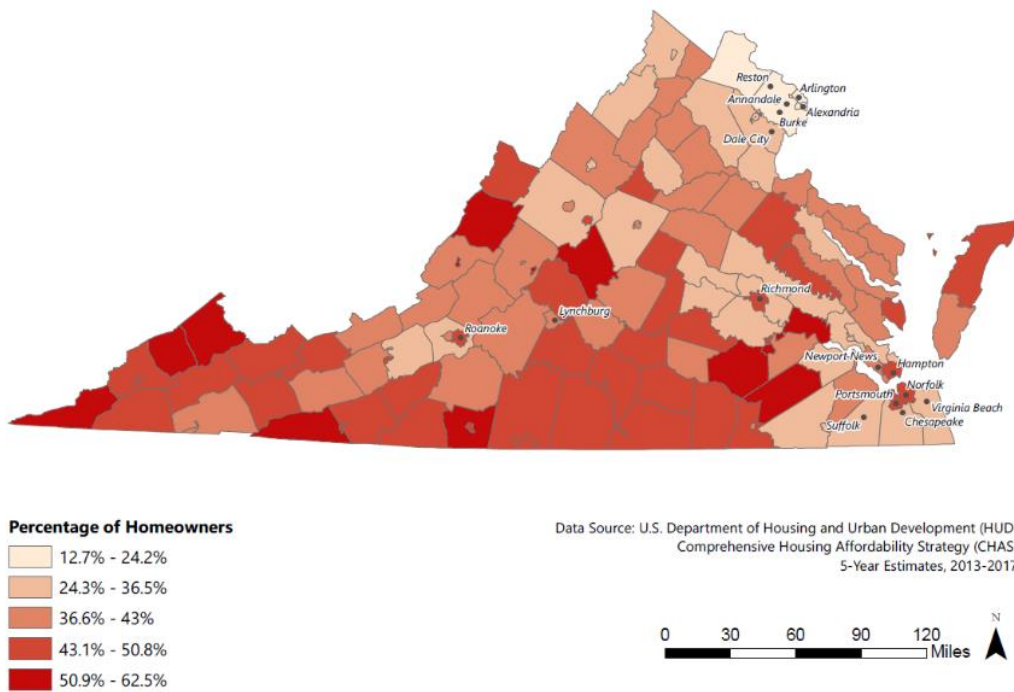


Figure 9: Percentage of Homeowners at or below 100% AMI

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According to CHAS data, 34% of Virginia homeowners are considered at or below 100% of the area median income. Figure 9 demonstrates the percentage of homeowners by geographic area whose income is at or below 100% AMI. The median household income in Virginia, according to Census ACS, is \$74,222 and median home value is \$367,200 according to Virginia Realtors.

Unemployment

According to the Virginia Works website, which cites Bureau of Labor Statistics data, unemployment in Virginia climbed to 11.3% starting March 2020 and started to see a continuous decline after July 2020. Currently, unemployment is at 4.5%, a significant improvement over March 2020, but still sitting at higher levels of unemployment than pre-COVID, at the end of February 2020 (2.6%). See Figure 10.

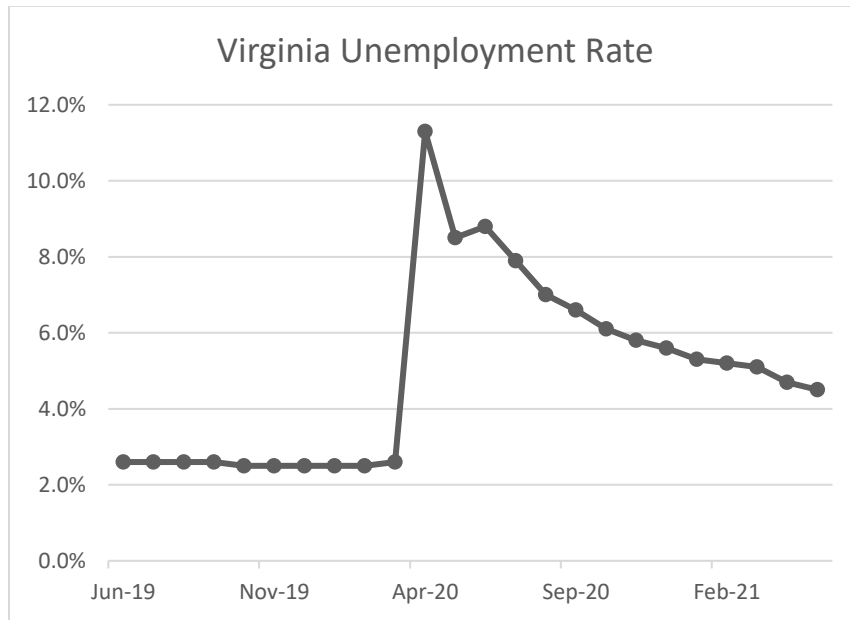


Figure 10: Unemployment Rate June 2019 – February 2021, [virginiaworks.com](https://www.virginiaworks.com) (<https://www.bls.gov/lau/>)

Unemployment rate distribution is as expected, with areas of Virginia reliant on service, tourism, recreation, and farming industries experiencing higher rates of continued unemployment. See Figure 11.

Unemployment Rate (April 2021)

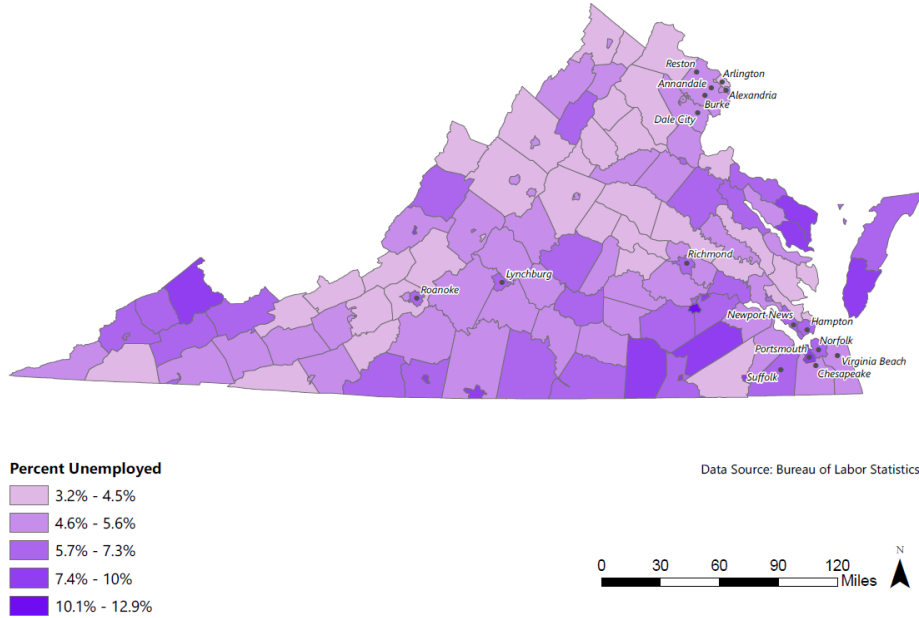


Figure 11: Rate of Unemployment Reported in Virginia as of April 2021

Mortgage Delinquency and Forbearance

Based on the CoreLogic data, 5.5% of loans are in delinquency throughout Virginia. Areas with high rates of delinquency are scattered throughout the state. The largest percentages of delinquencies by loan type, based on a representative sample of CoreLogic data, are FHA (12%) and USDA loans (9%). Figure 12 shows the delinquency percentage by ZIP Code.

Percent of Mortgages in Delinquency by Zip Code

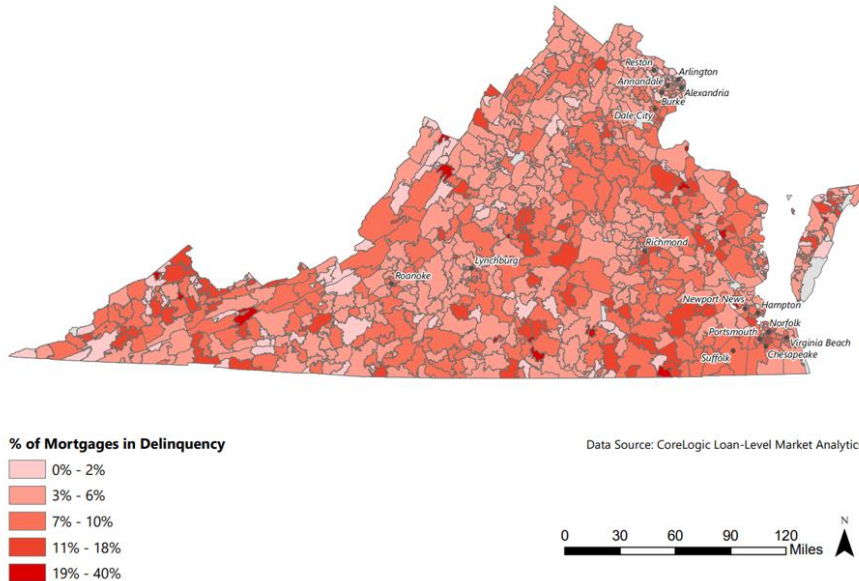


Figure 12: Delinquency Percentages

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Loan forbearance is present throughout Virginia with few areas where percentages are higher than 10%. Out of 580,034 loans in the CoreLogic sample, 5.2% are in forbearance, with the highest concentrations for FHA (12%), USDA (10.8%), and VA (5.7%) loans. Homeowners with mortgages, who may also be coming out of forbearance, may meet eligibility criteria and benefit from HAF assistance. The distribution of mortgage forbearance and relative percentages by ZIP Code is presented in Figure 13.

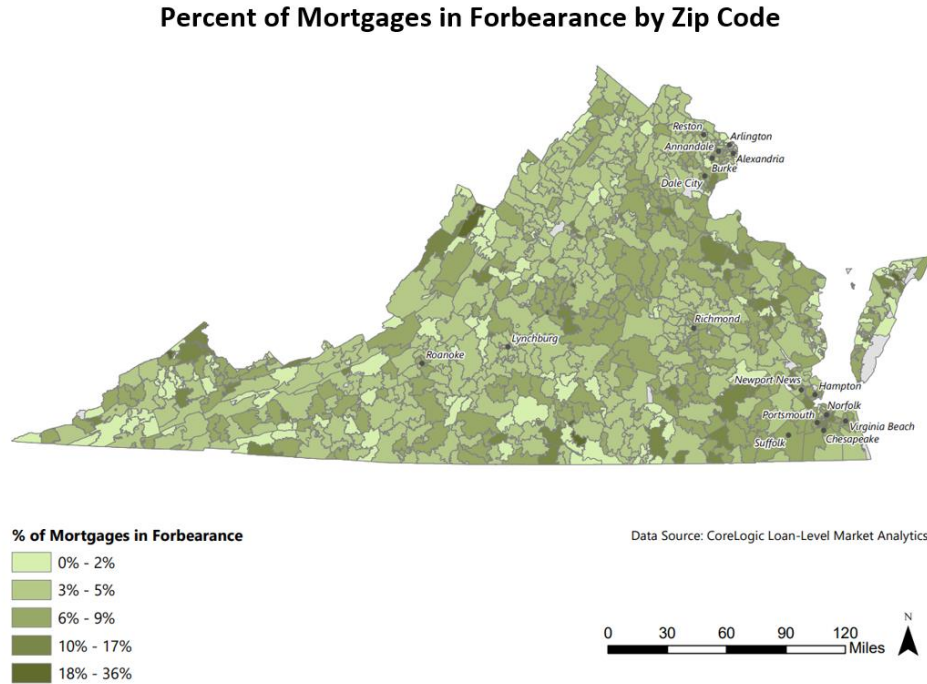


Figure 13: Forbearance by Zip Code

New Treasury Guidance and Socially Disadvantaged Individuals

On August 2, 2021, Treasury issued updated guidance for the HAF program. The updated guidance can be found at <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>. The new guidance broadened the definition of socially disadvantaged individuals. Both definitions are presented below for comparison.

April 14, 2021, guidance definition:

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. There is a rebuttable presumption that the following individuals are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with the procedures set forth at 13 CFR 124.103(c) or (d).

August 2, 2021, guidance definition:

Socially disadvantaged individuals are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable

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terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the HAF participant's jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment under this definition may include being a (1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society, (2) resident of a majority-minority Census tract; (3) individual with limited English proficiency; (4) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or (5) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with a process developed by a HAF participant for determining whether a homeowner is a socially disadvantaged individual in accordance with applicable law, which may reasonably rely on self-attestations.

Virginia Housing performed new data and mapping analyses to account for this change. The weighted index methodology used in the previous analysis, as described in previous sections was used with modification to accommodate parameters in the new definition.

The analysis used the same racial characteristic data as used under the original definition, but added data sets for:

- Language: Percentage of the 5+ population with limited English proficiency
- Tribal lands, majority-minority census tracts, and persistent poverty counties: To get this number we merged the three deterministic polygon files and calculated the area of each zip code that falls within one or more of them

This analysis yielded a calculated socially disadvantaged percentage value, which is the maximum of the three values for race, language, and the combined tribal lands, majority-minority census tracts, and persistent poverty counties. This was fed into the new weighted index model for each ZIP Code.

There are 300 ZIP Codes that overlap with one of the deterministic polygons; 68 have a 99% overlap or greater. The overlap percent is the highest of the three factors for 178 of these. Limited English proficiency boosted 29 ZIP Codes up in the rankings. Overall, this methodology increases the average socially disadvantaged percentage per ZIP Code from 18% to 27%, reflecting the broadened definition in the new Treasury guidance.

A complicating factor of this analysis is that available data sets do not perfectly crosswalk related to data characteristic type or geographic level of analysis. Because we do not have crosstabs for all of the factors to give us the exact number of households that would meet one or more of the criteria under the new definition, using the MAX of the three factors calculated above is a defensible way of estimating relative risk while keeping within the obligatory 0 to 1 scale for weighting. While we recognize that this choice may undercount the actual percentages of socially disadvantaged individuals in some ZIP Codes, the risk of introducing additional error by adding other factors on top of the MAX value is greater. This methodology increases the social disadvantage weighting by around nine percentage points, which we believe achieves the goal of the new guidance.

The following tables provide a sample of the total ranking distribution changes of ZIP Codes based on application of new criteria. Table 11 demonstrates how new criteria applied at the ZIP Code level has had a significant impact on movement of ZIP

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Codes in the ranking of all ZIP Codes based on social disadvantage under the new definition. Positive numbers in the “Change” column reflect how many positions a ZIP Code has moved up in the ranking whereas negative numbers represent movement downward in the ranking.

Table 11: Comparison of the new top 30 Socially Disadvantaged ZIP Codes with Rank Change

ZIP Code	New Rank	Original Rank	Change
23486	1	719	718
23224	2	11	9
23316	3	190	187
22311	4	198	194
22026	5	26	21
24269	6	720	714
23354	7	487	480
23408	8	721	713
23221	9	503	494
23313	10	722	712
23219	11	44	33
23607	12	10	-2
22312	13	106	93
23407	14	173	159
23843	15	298	283
24239	16	723	707
23234	18	29	11
23844	17	15	-2
24607	19	724	705
24293	20	632	612
23897	21	67	46
24220	22	725	703
22730	24	2	-22
23398	29	726	697
23413	27	38	11
23604	23	1	-22
23856	26	23	-3
24073	28	556	528
24581	25	3	-22
24628	30	727	697

The socially disadvantaged factor included a significant amount of movement up and down in the rankings for many ZIP Codes primarily due to the inclusion of persistent poverty counties in the new definition. The persistent poverty counties/areas are included in Table 12 for reference.

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Table 12: Persistent Poverty Counties/Areas

County	Poverty Rate 1990	Poverty Rate 2000	Poverty Rate 2010
Buchanan	21.9	23.2	25.0
Dickenson	25.9	21.3	20.4
Lee	28.7	23.9	24.1
Montgomery	22.1	23.2	24.4
Northampton	26.6	20.5	22.4
Wise	21.6	20.0	24.1
Charlottesville city	23.7	25.9	27.3
Harrisonburg city	21.5	30.1	35.0
Norton city	26.7	22.8	20.6
Radford city	32.2	31.4	35.2
Richmond city	20.9	21.4	26.7

Mapping the data for the new socially disadvantaged criteria demonstrates distribution of socially disadvantaged individuals by ZIP Code. See Figure 14: Distribution of HAF Socially Disadvantaged homeowner population (new definition) by Virginia ZIP Code

Virginia Homeowner Assistance Fund Need Index

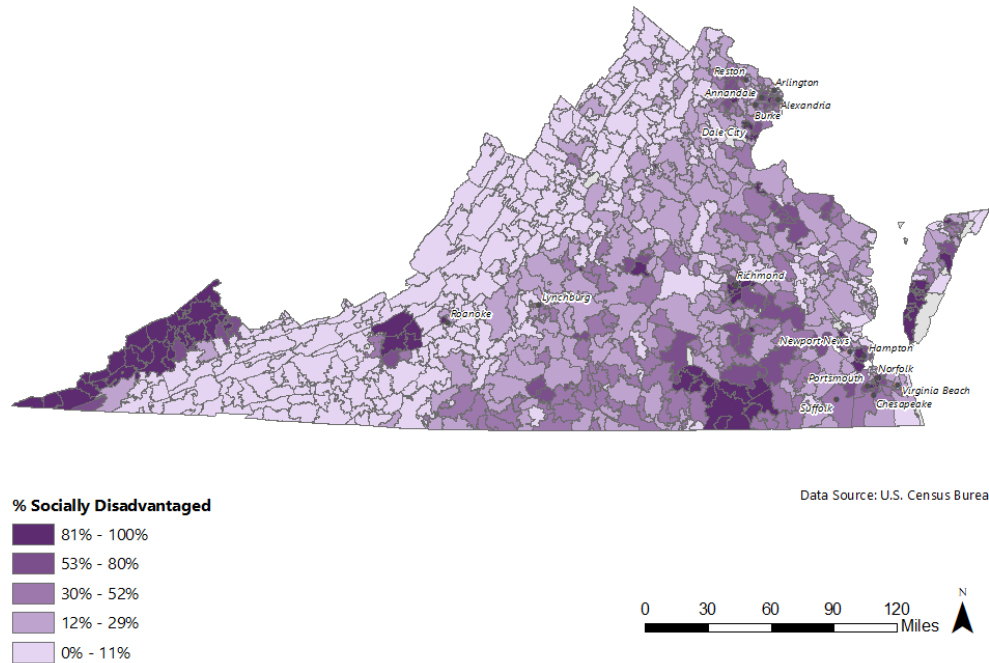


Figure 14: Distribution of HAF Socially Disadvantaged homeowner population (new definition) by Virginia ZIP Code

The broadening of the definition to include areas with limited English proficiency, tribal lands, majority-minority census tracts, and persistent poverty counties provides

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a better picture of the complexity of Virginia’s demographic profile. Under the new definition, the southwestern and southcentral/ southeastern portions of the state, as well as other pockets across the state have higher percentages of socially disadvantaged individuals. Compare Figure 2 to Figure 14.

Applying the new definition to the socially disadvantaged criteria does not change the other components of the index (AMI percentage, delinquency percentage, and forbearance percentage). The resulting change in the socially disadvantaged percentage did, however, drive a change in the Weighted Index for loan risk. Table 13 demonstrates the original, new, and change in ranking of ZIP Codes for the Weighted Index. This is not the full ZIP Code ranking, but is for illustrative purposes, demonstrating how risk rankings are impacted.

Table 13: Comparison of the new top 30 Loan Risk ZIP Codes with Rank Change

Zip Code	Original Risk Category	New Risk Category	New Rank	Original Rank	Change
23604	Highest	Highest	1	1	0
24581	Highest	Highest	2	2	0
23115	Highest	Highest	3	3	0
23976	Highest	Highest	4	5	1
23359	Highest	Highest	5	4	-1
24607	Highest	Highest	6	12	6
24620	Highest	Highest	7	26	19
22476	Highest	Highest	8	6	-2
23523	Highest	Highest	9	7	-2
23357	Highest	Highest	10	8	-2
23486	Significant	Highest	11	50	39
23968	Highest	Highest	12	9	-3
23938	Highest	Highest	13	37	24
24614	Significant	Highest	14	63	49
22448	Highest	Highest	15	13	-2
23504	Highest	Highest	16	10	-6
24433	Highest	Highest	17	15	-2
24243	Significant	Highest	18	77	59
23879	Highest	Highest	19	27	8
22946	Highest	Highest	20	18	-2
23307	Highest	Highest	21	20	-1
23607	Highest	Highest	22	14	-8
22436	Highest	Highest	23	11	-12
23867	Highest	Highest	24	39	15
23126	Highest	Highest	25	16	-9
23828	Highest	Highest	26	17	-9
24011	Highest	Highest	27	25	-2
24646	Significant	Highest	28	127	99
23702	Highest	Highest	29	38	9

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Zip Code	Original Risk Category	New Risk Category	New Rank	Original Rank	Change
23224	Highest	Highest	30	21	-9

Overall, there was less movement in the Weighted Index than in the Social Disadvantage component but there was some movement across categories. Of the 896 ZIP Codes, there are now 131 ZIP Codes that make up the highest and significant loan risk. See Table 14.

Table 14: Count of ZIP Codes by Risk Level

Risk Category	# of ZIP Codes
Highest	48
Significant	83
Moderate	353
Lower	282
Lowest	130
Total	896

This new analysis yields a greater number of initial target ZIP Codes (131) for targeted outreach during the full program than the original analysis (127) did. Figure 15 shows the distribution of loan risk using the Weighted Index approach with the larger CoreLogic dataset and the new socially disadvantaged definition. Comparing this distribution to the original in Figure 5, there is a larger cluster of high and significant risk ZIP Codes in the Appalachian region of the state that were not identified under the prior Weighted Index.

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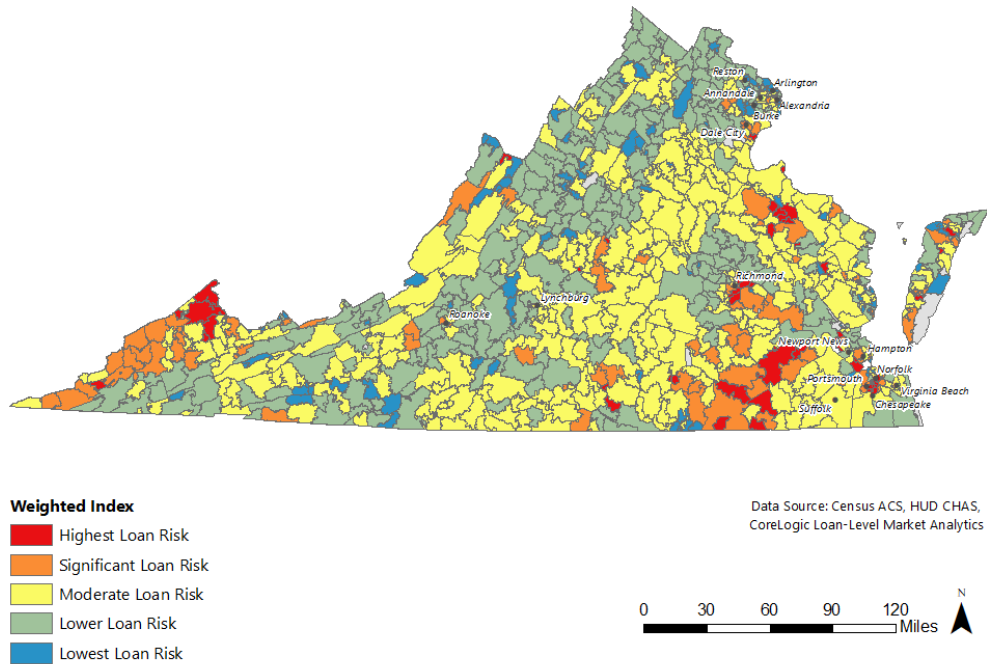


Figure 15: Application of the Weighted Index using the CoreLogic datasets and the clarified definition of socially disadvantaged to determine ranking of ZIP Codes with different levels of mortgage loan risk

Loan Risk Based on Weighted Index

The ZIP Codes identified with the highest and most significant loan risk levels vary between the full VMRP and the VMRP Pilot, though there is some overlap. This is a result of application of the index to statewide data sets (full VMRP) and the Virginia Housing mortgage loan portfolio (VMRP Pilot). The identified ZIP Code risk level will inform targeted outreach efforts. An additional consideration for program targeting priority, particularly in the pilot program since specific borrower data is known, may include an analysis of borrowers with the most exigent delinquency status (already in default or foreclosure, as well as those coming off of forbearance with serious delinquency).

The Impact of Virginia Mortgage Relief Program Budget

A benefit of the ranking approach using the Weighted Index is that the associated data allows Virginia Housing to predict how far the allocated funds will potentially last when working through the ZIP Codes on the ranked list. Virginia Housing can calculate a count for each ZIP Code for loans with performance issues, assume an average disbursement per borrower, and a “fallout rate” for VMRP applications. Fallout is a term for the applicants that could be eligible for VMRP assistance that does not end up receiving a grant. There are typically various reasons for this, including that they never apply for help, they never fully complete the process, they turn out to be ineligible for other reasons, or they will not sign a grant agreement. Fallout rates in other federally funded grant programs such as CDBG-DR housing assistance, COVID Emergency Rental Assistance, and others can be significant – well over 50% in many cases.

Combining this information allows Virginia Housing to determine how far down the ranked ZIP Code list that the allocated funding will last. This also allows some assurances of how much of the loan risk profile the VMRP will address. Currently, Virginia Housing projects that the average disbursement for each borrower in our planned Reinstatement Program will be \$15,500. Using that assumption and an assumed allocation budget after funding and administration costs, the full VMRP would have approximately \$206 million available for homeowner funding. Therefore, there would be funds available to disburse to roughly 13,290 Virginia borrowers with mortgages in arrears or forbearance. Using the data associated with the Weighted Index ranking, along with an assumed borrower fallout rate, it is possible to determine how many ZIP Codes for the highest risk loan categories would get covered with the available dollars.

Using the Weighted Index calculations that Virginia Housing has completed, and assuming a relatively conservative fallout rate of 50%, indications are that with \$206 million of remaining HAF funds a total of 161 high, significant, and moderate loan risk ZIP Codes could be assisted. This would cover all 131 of Virginia Housing’s priority one areas and approximately 10% of the “moderate risk” ZIP Code population as well. The utility for this use of the ranking construct is straightforward. The average disbursement could ultimately vary plus or minus, with a change in the corresponding numbers of ZIP Code areas potentially served. The actual fallout rate observed over time would impact the same way. If Virginia were to receive an additional HAF funding allocation over time, not only would more of the overall loan portfolio get attention, but Virginia Housing can further predict 1) how far additional funds will go for an existing program in delivery, and 2) what funding could be allocated against additional programs on Virginia Housing’s policy priority list.

Utilities not Included (due to other program availability)

There are many state and local programs in place, not funded by COVID-19 emergency relief, that can assist homeowners with utility payments. Virginia homeowners also have several utility relief programs available to them, particularly for water, power, and gas services. This is especially true for low-income and elderly residents. Accordingly, Virginia Housing will exclude utility assistance from the VMRP as there are adequate other resources available to support homeowner need. This will maximize Virginia Housing's ability to use allocated HAF funds to support mortgage relief directly for more priority borrower populations.

A summary of public sector utility relief programs is as follows:

- a) U.S. Department of Housing and Urban Development's [Low-Income Home Energy Assistance Program \(LIHEAP\)](#) – provides fuel and weatherization assistance through Virginia's Common Help program (listed next). Provides very low-income families with a grant to pay their bill or a credit on their account. The application period starts in October and is often called Fuel Assistance in Virginia.
- b) [Virginia Department of Social Services – Common Help](#) (does not differentiate between homeowners or renters) – provides food assistance, childcare assistance, heating and cooling assistance, health care, and cash assistance through the federal LIHEAP. Specific utility assistance is as follows:
 - i) Fuel assistance helps with home heating costs; but can also be used for furnace restarts, late charges, delivery charges, installation charges, and connection or re-connection fees
 - ii) Crisis assistance is intended to meet a household's emergency heating need when no other resource is available.
 - iii) Cooling assistance provides purchase or repair of cooling equipment and/or payment for electricity to operate cooling equipment.
- c) [The Virginia Department of Housing and Community Development \(DHCD\) - Weatherization Assistance Program \(WAP\)](#) – reduces household energy use through the installation of cost-effective energy savings measures, which also improve resident health and safety. Common measures including sealing air leaks, adding insulation, and repairing heating and cooling systems. While WAP does not offer direct assistance with paying utility bills, it does provide a funded mechanism to reduce the burden of a monthly utility bill. DHCD works with a network of nonprofit organizations around Virginia, who directly implement the program, as detailed in a [Use this map](#) link for a homeowner to locate a local provider and then contact them for an application.
- d) **NOTES:**
 - i) **Virginia programs** – All participating utility companies for the federal government LIHEAP Fuel and Crisis Assistance programs have agreed to waive charging Virginia's Sales Tax on all fuel deliveries to their customers. Qualified households instead will be able to receive the amount that would otherwise be paid to Virginia for sales tax in the total amount of fuel delivered.
 - ii) **Utility deposits** – Multiple major utility and energy companies that operate in Virginia also waived security deposits for LIHEAP eligible customers. They

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include the following utility companies; Dominion Energy, Appalachian Power, Virginia Natural Gas, and Washington Gas.

Commercial utilities, local governments, and nonprofits also offer assistance to homeowner customers. The majority of these programs focus on electric, gas/heating oil, and water service.

GENERAL

- a) [Capital Area Partnership Uplifting People \(CAPUP\)](#) is a nonprofit community action agency that has been serving the communities of Richmond, Petersburg, Hopewell, Prince George, and Dinwiddie for over 50 years. CAPUP aids low-income clients with emergency rent, mortgage, utility, and medical funding assistance to help prevent homelessness, hunger, or suffering. Emergency food, clothing, and transportation are also available. Additional information is available at **(804) 788-0050** for Richmond and **(804) 722-9577** for Petersburg.
- b) [New River Community Action Emergency Assistance Program \(NRCA EAP\)](#) offers a variety of temporary assistance for residents or transients who are 200% poverty income or below who are experiencing financial crises. Some examples of crises that low-income people frequently face are high utility bills, a decrease in income, disabilities and chronic health issues, a significant amount of medical debt, housing costs greater than 50% of income, or homelessness. NRCA EAP provides assistance with food, rent, mortgage, utility, heating fuel, medical, and gasoline to get to a doctor or employment office. The EAP is designed to provide temporary rental assistance, utilities, food, household products, etc. for individuals and families residing in New River Valley and transients who are experiencing a financial crisis who meet the guidelines.

WATER

- a) **Chesapeake Public Utilities Department** provides the following services, upon request and with validation of circumstance: a 30-day extension for bill payment; a payment arrangement if the customer is unable to pay the full balance when due; and a 30-day payment extension for past-due customers. The Public Utilities Customer Service number is 757-382-6352
- b) [City of Charlottesville](#) – Water Assistance Program (WAP) & Wastewater Assistance Program (WWAP) - The City of Charlottesville has both Water and Wastewater Assistance Programs to provide eligible households help in paying water and sewer bills. Customers must meet income and resource guidelines which may be obtained from the Utility Billing Office or the Department of Social Services. Others who do not meet these income guidelines, but can provide proof of financial hardship, may qualify. The program may also assist in covering the cost of water and sewer bills when water leaks occur not resulting from customer negligence.
- c) [City of Norfolk](#) – **Emergency Water Payment Program** - The City of Norfolk's Emergency Utility Water Payment Program helps eligible residents avoid disruption of service. Norfolk Department of Human Services will provide a one-time payment to help low-income households prevent the disconnection of water due to non-payment and to maintain a safe and healthy environment for Norfolk Households that meet eligibility requirements.
- d) **City of Richmond** – [MetroCare Water Assistance Program](#) – The MetroCare Water Assistance Program was established to help certain eligible Department of Public Utilities (DPU) residential customers. It assists customers with paying their

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water utility bills and assists homeowners with conservation efforts. Approved applicants could receive a credit adjustment toward billed water and wastewater charges or assistance with plumbing repairs and replacement of water inefficient appliances.

- e) **Hampton Roads Sanitation District** – Help 2 Others (H2O) H2O is a community-based program that assists people in crisis through the generosity of donations. The program provides one-time assistance to residents of Hampton Roads that have experienced a financial crisis and are in danger of losing their residential water and wastewater service. To find additional information, view their website at: <https://www.hrpdcva.gov/departments/environmental-education/help-2-others>
- e) **Prince William County Service Authority** – The Temporary Assistance Program (TAP) helps fellow Service Authority customers in need of emergency financial assistance with their water bills. TAP funds are directed to two local Prince William County charitable organizations to distribute to customers needing emergency assistance with paying their Service Authority bills; SERVE, a unit of Northern Virginia Family Service (NVFS), and Action in Community through Service (ACTS) of Prince William.
- f) **Virginia American Water** – Since 2010, Virginia American Water has been assisting customers in need to pay for their water bills through its [H2O Help to Others Program™](#). The program offers grants of up to \$500 per year for customers who qualify. Since the program was first launched in 2010, Virginia American Water has provided \$38,669 in water assistance grants to 220 households. Grants are funded through corporate donations and customer and employee donations. To be eligible for the program, grant recipients must have received a utility shutoff notice or have already had service disconnected. Recipients must also have made a sincere effort to pay the bill (at least \$50 on the outstanding water bill in the past 90 days), applied for all open and available Virginia and federal programs, and have a household income at or below 150% of the federal poverty income guidelines. A grant from this program may not cover the recipient's entire water bill.
- g) **Virginia Beach Public Utilities** – Water Assistance Program - The Water Assistance Program is provided by Virginia Beach Public Utilities to assist qualifying residents with their City Services Bill. Eligible residents can receive program assistance at a maximum of \$300 once per fiscal year for a City Services Bill; and \$250 for a plumbing repair. Applications are accepted at the Virginia Beach Department of Human Services, 3432 Virginia Beach Blvd, Virginia Beach, VA, 23452.

POWER

Please note the following list comes from a [secondary source](#):

- a) **Action in Community Through Service (ACTS)** – For utility assistance, you may make an appointment once every four months for any utility other than Dominion. For Dominion, you may make an appointment once during June 1–September 30 and once during October 1–May 31 each year. Other than assistance with utilities, ACTS does not offer rental, mortgage, or any other type of financial assistance for material goods, including loans.
- b) **American Electric Power (AEP)** – The assistance program offered to customers is the Neighbor-to-Neighbor, administered by the Dollar Energy Fund. To be eligible for this program, customers must supply a utility, heating, or gas bill disconnect notice to the Department of Social Services. The assistance program begins in January of each year and continues until funds are exhausted or March 31, whichever comes

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first.

- c) **Appalachian Power** also offers customers, including senior citizens and the poor, additional financial assistance programs, including the Dollar Energy Fund. Some of the resources are available for all of the AEP states and service territories, and others are just for Virginia households.
- d) **Atmos Energy** – [Sharing the Warmth](#) can help people pay their gas bills. It is run by local community action agencies or Salvation Army/charity.
- e) **City of Charlottesville** – The Gas Assistance Program (GAP) may be able to provide emergency cash grants and payments for low- to moderate-income (LMI) households that are not able to pay their utility and gas bills and have exhausted both Virginia and federal government assistance programs. Referrals to this particular program are given through a variety of charities and community action groups. Intake is provided by the City of Charlottesville Department of Public Utilities and funds are distributed by this office as well.
- f) **Columbia Gas of Virginia** runs the Heatshare program that is administered by a local Salvation Army branch. Heatshare is an emergency assistance program/fund that was created to help households with paying their energy bills.
- g) **Columbia Gas of Virginia** – Provides emergency and low-income assistance programs to income-qualified customers. The energy company will offer budget billing, payment plans, and applications for government aid. [More details](#).
- h) **Dominion Energy** runs the EnergyShare program. This was created to help low-income households and the working poor. EnergyShare is a heating and cooling bill assistance program that is offered in Virginia. Heating bill assistance provided by the program applies to any heat source that customers may use, whether it is gas, oil, kerosene, wood, and/or electricity. Applications are taken at one of the EnergyShare agencies near a homeowner, which can include an office of the utility company or the local Salvation Army. Also, find [more Dominion Power low-income programs](#).
- i) **Energy Share** – It is offered by multiple companies. **Dominion Energy, Virginia Natural Gas, Harrisonburg Electric Commission** participate in this assistance program. It was created in 1983 to help low-income households pay any type of heating bill.
- j) **Harrisonburg Electric Commission** – The EnergyShare program provides assistance to those families and individuals who need help paying their heating and utility bills. Funds and grants will be managed primarily by the Salvation Army. As long as funds are available from the program, they will make payments for all qualifying customers and households.
- k) **Northern Virginia Family Service** – Utility Assistance – The client must be living in Western Prince William County (including the cities of Manassas, Manassas Park, Bristow, Gainesville, Nokesville, Haymarket, and Catharpin). The client must have a disconnect notice and must be able to demonstrate a significant need for assistance (e.g., loss of income, medical issues). If the client is over 60 years old, the disconnect notice is not needed. To apply, clients need to call 571-748-2624 and leave a message.
- l) **Northern Virginia Electric Cooperative** – The program offered to customers is known as Operation Round UP. Donations from customers, local businesses, and utility donations provide financial assistance to people to help pay their heating bills.

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People who need financial assistance from the program should contact the Virginia Department of Social Services at 1-804-726-7000 or toll-free 1-800-552-3431 to learn more or to apply for help. [Read more assistance from Northern Virginia Electric.](#)

- m) **Virginia Natural Gas** – Low-income customers can receive energy conservation improvements. Virginia Natural Gas has partnered with Virginia government-certified weatherization agencies and nonprofits to provide cost-effective energy efficiency measures for customers with an income at or below 175% of the federal government poverty level. Besides weatherization and other energy conserving measures, the agency may also determine that equipment and appliance repair is needed, and it will proceed with those types of improvements as well. Participants in this energy conservation program will be asked to partner with the program to develop and carry out a household energy savings Action Plan. One of the keys to this service is that all energy efficiency and conservation measures as well as any energy education services are provided free of charge to the customer.
- n) **Virginia Natural Gas** – The EnergyShare program, which begins every year in January, helps customers with making energy bill payments. Assistance may be available if all other alternatives and government programs that are available through social service agencies have been exhausted. Applicants call the Salvation Army to make an appointment to apply for help as walk-ins are not accepted. The numbers to call include Suffolk, 757-539-5201, South Hampton Roads, 757-543-8100, and On the Peninsula 757-838-4875. There are other Virginia Natural Gas programs and resources for low-income customers. Funds can help pay gas bills or prevent a disconnection. [Read more.](#)
- o) **Washington Gas** – This energy company administers the Washington Area Fuel Fund for Virginia customers. The financial assistance program provides heating bill assistance and cash payments for low-income households that do not qualify for or have exhausted both local and federal government assistance. The program is run in the area by the Salvation Army. Several other payment plans and discounts are offered. Low-income customers and individuals faced with a disconnection can receive financial assistance, payment plans, and more.

Assistance Designed to Meet Virginia’s Need

Program Goals

The Goal of the VMRP is to deliver Homeowner Assistance Fund opportunities to eligible homeowners across Virginia to stem housing instability and mortgage/loan delinquency. In addition to Treasury priorities outlined in the April 14, 2021, HAF Guidance, as updated August 2, 2021, relating to prioritization of loan types and socially disadvantaged status, VMRP may prioritize homeowner households with one or more of the following characteristics.

Homeowners Living in Underserved Areas

Virginia Housing recognizes that there are rural communities across Virginia that have traditionally had access to fewer resources. To ensure that homeowners in these areas

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receive equal and fair access to VMRP resources, Virginia Housing may prioritize homeowners from these areas for assistance.

The Virginia Mortgage Relief Program (VMRP)

Virginia Housing will establish three mortgage assistance options through the VMRP:

- Mortgage Reinstatement Program
- Mortgage Reinstatement Program with Ongoing Payments
- Payment of Eligible Real Estate Taxes, Insurance, and Fees

These program options address the demonstrated needs of Virginia homeowners identified by the quantitative Needs Assessment as well as qualitative feedback shared via the public comment period, virtual public forum, and consultation with nonprofit, public, and private stakeholders.

Note that VMRP Assistance may not be used to pay past due utility or home energy expenses. Assistance with utilities is available through other state and local programs.

The most pressing need for Virginia homeowners is currently mortgage delinquency relief, concentrated in specific high-risk ZIP Codes. The Needs Assessment identified ZIP Codes with the highest levels of homeowners with the following four attributes: delinquency, forbearance status, sub-100% AMI, and membership in socially disadvantaged groups.

The programs described below address mortgage delinquency and target HAF assistance to the high-risk areas identified by the Needs Assessment.

The VMRP will be launched in at least two phases. First, Virginia Housing launched the VMRP Pilot open to a narrow, targeted group of homeowners, as identified below in the VMRP Pilot description. Ability to apply for the pilot program ended January 1, 2022. Second, the full VMRP was opened statewide January 3, 2022. The full VMRP includes a prioritization strategy to ensure that Virginia Housing meets Treasury-required spending minimums (at least 60% of funding to homeowner households at or below 100% AMI). Funds not expended on pilot program applicants will roll over into and be made available for the full program.

Maximum Per Household VMRP Assistance

The maximum per eligible homeowner household assistance for the VMRP, including the VMRP Pilot, will be capped \$50,000 per household for eligible housing expenses (e.g., principal, interest, tax, condominium/homeowner association fees, cooperative fees, condominium special assessments, and insurance (PITI) payments).

Payout of VMRP Assistance

VMRP assistance is structured as a non-recourse grant, recoverable in the event of fraud or overpayment. Virginia Housing or its agent will disburse VMRP Assistance directly to the mortgage lender/servicer, contract for deed holder, county treasurer or local taxing authority, hazard insurance company, and/or homeowners/condominium association. Virginia Housing or its agent will disburse the amount quoted by the entity. Any discrepancies must be resolved by the homeowner and lender/servicer or other payee. All VMRP payments are limited by the maximum assistance caps.

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Servicers will provide estimates of amounts due with a “good through date” when providing VMRP with an estimated amount of funding that will bring the applicant’s loan current. This means that the estimate provided is valid through the date indicated. VMRP anticipates that each servicer will have their own policy around the payment good through date. The good through date may range from several days to 30 days. To account for this, the VMRP will process payments for the full total amount due provided in the estimate within the good through date period. If the VMRP payment occurs beyond the good through date provided by the servicer, VMRP may provide up to an additional month of payment, inclusive of PITI, as a gap payment, as long as such additional payment remains under the maximum assistance cap.

Prohibition on Sale or Refinance of Home

VMRP funds are federal funds. You are prohibited from refinancing or selling your home within 30 days of payment of VMRP assistance on your mortgage account. Should you either refinance or sell your home within 30 days of the date of payment of VMRP funds to your mortgage servicer, you will be required to repay some or all of the amount of assistance provided to you by the VMRP.

VMRP Exclusions

VMRP Assistance may not be used to pay past due utility or home energy expenses. Assistance with utilities is available through other state and local programs. Further the VMRP is not currently offering assistance for mortgage principal reduction, mortgage interest rate reductions, internet/broadband service, or home repairs

Tax Consequences of Accepting VMRP HAF Assistance

In November 2021, the Internal Revenue Service issued Rev. Proc. 2021-47 indicating that HAF assistance would not be taxable as income. See <https://www.irs.gov/pub/irs-drop/rp-21-47.pdf> .

Virginia Housing makes no representation as to the federal or state income tax consequences of receipt of VMRP assistance. Recipients should seek professional advice regarding all tax consequences of receiving VMRP assistance.

Delivery of VMRP Services

Virginia Housing has hired a program administration firm to support delivery of the VMRP. The use of the term “Virginia Housing” throughout this and other VMRP documentation means the Virginia Housing Development Authority and/or its contracted program administration service provider.

Marketing/Outreach

VMRP intends to regularly collect, review, and incorporate new data to best reach Virginia’s most vulnerable and in-need populations that may benefit from this assistance. Though the VMRP will be open to anyone in Virginia, marketing of the full VMRP will target the Top 131 ZIP Codes at high and significant risk, as identified in the Needs Assessment.

Marketing and outreach for the VMRP Pilot, described further below, was limited to borrowers within the Virginia Housing mortgage loan servicing portfolio applying the

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weighted index methodology to identify target ZIP Codes for portfolio borrowers at high and significant risk; however, participation in the VMRP Pilot was by invitation only. Recognizing that borrowers with serious delinquency are slated to come out of forbearance in September and October, additional prioritization for marketing of the VMRP Pilot occurred for this population. Similar targeting methodology for marketing and outreach will be used for the full program.

Virginia Housing will leverage relationships with loan servicers, community officials, elected officials, and other key amplifiers to help share and promote the program. Based on current needs assessed, VMRP intends to implement the following target and outreach strategies.

Target Population

- Homeowners in Virginia with incomes equal to or less than 100% AMI of the median income of the United States.
- Socially disadvantaged individuals within the target AMI per Treasury guidance.

Program Branding and Presence

Clear, simple, and easy-to-identify branding will be used to help gain public recognition and trust of VMRP. Branding will be used on a variety of online and other platforms to increase visibility to all homeowners across Virginia, with attention to socially disadvantaged communities.

Equity/Accessibility

The VMRP team recognizes that the largest population of limited English proficiency in Virginia are Spanish speakers. Per our research, we have identified the percentage of individuals that speak Spanish at home by county to support a targeted outreach and ensure we are relaying critical program messaging in the most appropriate languages based on community demographics. A total of 32 ZIP Codes were identified as having 5% or more of the population that speak Spanish at home. From this analysis, 11 ZIP Codes were identified as having 10% or greater population that speak Spanish at home. Our out of home advertising (such as billboards, bus shelters, bus cards, etc.) and paid media will focus on key ethnic newspapers, radio, and other marketing venues that we know reach these key homeowner populations. The VMRP will ensure that materials are culturally appropriate for Spanish-speakers from Central America, South America, and the Caribbean.

The VMRP will also provide outreach materials translated in other languages as the need arises using a reliable translation service. The program's cloud-based and mobile application platform also offers the ability to translate screens into multiple languages.

The VMRP Call Center offers translation services for non-English speakers as well as TTY or other technology to assist people who are hearing impaired. The VMRP case management (CMs) team will also consist of bilingual CMs and administrative assistants to aid Spanish speaking applicants by phone, in writing, and during in-person intake meetings. In situations where a bi-lingual staff person is not available, the CMs will also use translation services via the phone.

Printed materials will be available at in-person events and targeted community gathering places. Necessary accommodations for individuals with disabilities and others with access and functional needs will also be made.

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Recognizing that some eligible participants may have limited access to internet or technology, the VMRP communications approach will take into consideration a variety of channels and a broad geographical span to ensure that target audiences are reached through radio, billboards, transit, and other out of home advertising. Further, since submitting the Plan, Virginia Housing has determined that additional physical service center locations would be beneficial to these individuals. As such, in addition to a physical location in Newport News, three additional locations (Arlington, Richmond, and Wytheville) have been opened.

Marketing and Outreach Campaign

Virginia Housing will engage and share VMRP materials and content through a variety of channels and means, including:

- User- and mobile-friendly interface website that clearly outlines VMRP guidelines, provides an easy to access online application portal, and lists all available resources to support homeowners experiencing housing instability in Virginia.
- Social media channels are used to drive applicants to the microsite and/or call center.
- Leveraged media through both paid (e.g., search ads, display ads, billboard, transit, tv broadcast, radio) and earned media (e.g., news releases, radio, and tv interviews). Specifically, in rural areas with limited internet access, special attention will be given to TV and radio advertising to reach impacted homeowners.
- Trade and niche publications, direct mail, email marketing, and text messaging to reach the key targeted jurisdictions to include rural areas and Socially Disadvantaged groups.
- Program intake that is user-friendly and easily accessible. This includes VMRP Call Center to include translation services and special needs accommodations, an in-person VMRP Assistance Center that offers on-site customer service support.
- Tabling at high-traffic community locations (e.g., community center, library, social services office) to raise awareness of VMRP services and offer on-site application assistance.
- A mobile outreach campaign will be launched 90 days after full program launch to bring information and application opportunities into communities across Virginia through in-person services.

Stakeholder Engagement

Virginia Housing will routinely inform and engage key stakeholders to help amplify VMRP messaging to reach all affected homeowners in Virginia. The stakeholder groups and partnerships that will be leveraged to help promote the program, include, but are not limited to:

- Minority and rural advisory boards, nonprofits, legal aid, community organizations, housing counselors and faith-based organizations.
- Community leaders and local elected officials.
- Mortgage providers that serve low- and moderate-income homeowners, including banks, servicers, Community Development Corporations (CDCs), Community Development Financial Institutions (CDFIs), and other nonprofits that offer affordable housing programs to low, very low- and moderate-income homebuyers.

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- Other state, county, and local agencies that work with the targeted population can help educate homeowners about program options and facilitate program entry.

Timeline for Implementation

Table 15 provides key target dates for program design and implementation.

Table 15: Key Program Dates

Activity	Target Date of Completion
Draft HAF Plan Published	July 21, 2021
Public Comment Period	July 21– August 6, 2021
VMRP Pilot Launch	July 27, 2021
Community Partner Meeting	August 2, 2021
Statewide Public Meeting	August 5, 2021
Submission of HAF Plan to Treasury	August 17, 2021
Treasury Response to HAF Plan	October 29, 2021
VMRP Response to Treasury	November 16, 2021
Treasury Approval Date of HAF Plan	December 16, 2021
VMRP Pilot Closure	January 1, 2022
Launch full VMRP statewide	January 3, 2022
Program Closure – New Applicants	May 3, 2024
Public Facing Program Processes Stopped	October 31, 2024
VMRP Program Closure	September 30, 2026*

***Note that the VMRP will close September 30, 2026, or when all program funds have been fully committed, whichever occurs first.**

VMRP Pilot

In its initial HAF Guidance in effect at the time the Pilot program was implemented, Treasury encouraged HAF program grantees, such as Virginia Housing, to create or fund pilot programs to serve targeted populations, and to focus on program options that were most likely to deliver assistance most quickly to targeted populations, such as mortgage reinstatement programs. Treasury also encouraged HAF grantees to prioritize assistance to eligible homeowners who have Federal Housing Administration (FHA), Veteran’s Administration (VA), United States Department of Agriculture (USDA) mortgages, and mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers.

Virginia Housing’s mortgage loan portfolio closely matches the categories of loans prioritized by the Treasury. At the time the Pilot was developed, of the active mortgage loans in the Virginia Housing servicing portfolio, 6,209 (11.63%) were in delinquency. Of those loans, 4,000 (64.42%) were 120+ days delinquent, and the 3,025 (75.62%) of those delinquencies were Federal Housing Administration (FHA) loans. The next largest delinquency category was the 30-day delinquency, comprised of 1,116 (17.97%) loans. Similarly, the 831 (74.46%) of the 1,116 loans that were 30-days delinquent were FHA loans. Forty-two percent of all delinquent loans were loans to socially disadvantaged individuals. There were only 63 active

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foreclosures in the portfolio and 40% of those foreclosures affect socially disadvantaged borrowers. There were 4,797 loans in forbearance.

A mortgage reinstatement pilot program for this portfolio could be implemented rapidly to provide important data for full program implementation, upon approval by the Treasury of this HAF Plan. The VMRP Pilot began July 27, 2021. Virginia Housing anticipated the VMRP Pilot would utilize the initial 10% of the HAF program award from the Treasury (less administrative fees).

Consistent with Treasury guidance, the VMRP Pilot targeted potentially eligible homeowners within the Virginia Housing portfolio of loan servicing. It was designed with the expectation that the full VMRP would have the same requirements and be open to applicants throughout Virginia whose mortgage or home loan servicer is a provider other than Virginia Housing, as well as remain open to Virginia Housing-assisted homeowners.

The intent of the VMRP Pilot was to test how well the program design met the overall needs of borrowers within Virginia, as identified in the Needs Assessment. An added benefit of the VMRP Pilot was that it provided Virginia Housing with an opportunity to test the policies, procedures, systems, and workflows developed to deliver assistance to Virginia homeowners. A process of evaluation and refinement was used during and after the VMRP Pilot to make the wider program more efficient and reduce, mitigate, or eliminate unintended barriers that became apparent during the VMRP Pilot.

The VMRP Pilot was a means to kickstart services to financially stressed borrowers while meeting the Treasury requirements necessary to obtain full program funding. As such, the VMRP Pilot was designed to target homeowners in the Virginia Housing mortgage loan portfolio with the following attributes:

- Loans serviced by Virginia Housing
- In delinquency or foreclosure that began after January 21, 2020
- Borrower income within AMI limits specified by Treasury

Further outreach targeting will be drilled down to:

- Rural and underserved/under-resourced communities
- Socially disadvantaged individuals (based on Treasury definition)
- Borrowers coming out of forbearance with serious delinquency

The VMRP Pilot limited assistance to homeowners with mortgage delinquencies associated with loans serviced by Virginia Housing. Eligibility was restricted to homeowners whose mortgage delinquency occurred after January 21, 2020, and was the result of economic hardship induced by the COVID-19 pandemic. Assistance was also limited to homeowners who have not received assistance for qualified expenses covered by VMRP for the same period, through other federal, state or local programs, and who had not received a permanent loss mitigation solution through a government-insured loan program (absent a subsequent economic hardship).

Identified homeowners in the portfolio were contacted by phone, email, and mailers that described the program, its benefits, and the various methods of accessing the program application. Social media, radio, and television advertisements were employed. The information provided included program contact information and hours of service. All program information was available in English and Spanish. Homeowners seeking assistance through the VMRP Pilot followed the same processes as those for the full program and as described in the following sections of the HAF Plan.

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Virginia Housing estimated that approximately 600-1000 homeowners may be assisted through the VMRP Pilot. This estimate was based on an average estimated award of \$15,500 per household. The wide variance between the low and high end of the estimated number of homeowners served through the VMRP Pilot was due to the potential for the average estimated award to increase or decrease, as well as the timing of the launch of the full VMRP. The VMRP Pilot was designed such that if there was overlap between ongoing operations of the VMRP Pilot and the launch of the full VMRP, VMRP Pilot constituencies would continue to be served without interruption of services as the VMRP Pilot was intended to transition to the full VMRP.

The VMRP Pilot ended January 1, 2022. In total, 1,365 homeowners were invited to apply for the pilot program, 531 homeowners initiated the application process, and \$2,126,309.85 was paid out on behalf of eligible homeowners. Once all payments associated with pilot applications have been fully processed, a final summary of the pilot program will be provided through future revision to this plan and/or published to the VMRP website.

Program Options

VMRP Eligible Uses of Funds

Funds may be used to bring accounts fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower's behalf for property charges, including reasonably required legal fees of payee associated with eligible expenses, The Housing Obligations as listed below, and which were incurred after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date) are "Eligible Uses" of VMRP Proceeds:

- Existing first mortgage lien loan payment PITI, escrow shortages, servicer corporate advances, and reasonably required legal fees of payee associated with eligible expenses.
- Subordinate mortgage lien payment (principal and interest) and/or installment payment of government bond second lien for down payment assistance (such as Virginia Housing second deeds of trust for down payment).
- Attached or unattached manufactured/mobile home loan monthly payment (principal and interest).
- Personal property tax on unattached manufactured/mobile homes.
- If home loan monthly payment and/or personal property tax are being paid on an unattached manufactured/mobile home, lot rent may also be paid. However, applications for lot rent only are not eligible under HAF but may be under the Virginia Rent Relief Program (RRP).
- Homeowner's association fees, cooperative fees, and condominium association fees and special assessments, maintenance fees, or common charges, including for a lien extinguishment.
- Homeowner's hazard and other property insurance, flood, and/or mortgage insurance.
- Delinquent real estate property taxes.

Program benefits will only be applied to eligible outstanding balances incurred after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that

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date). Eligible loans must be secured by owner-occupied mortgage collateral (or qualified secured financing of unattached manufactured housing) that met the Government Sponsored Enterprise conforming loan limit at the time of origination. In situations where mortgage loan payments are not being made, the assessed value of the dwelling and land (as determined by the taxing authority) cannot exceed current applicable conforming loan limits.

VMP Assistance will be prioritized first to mortgage(s) / housing cost reinstatement, then real estate property taxes, and homeowners' / condominium association fees and hazard insurance. Note that "reinstatement" applies both to Eligible Homeowners with and without an outstanding mortgage or home loan. An applicant may qualify for one or a combination of all of these program options, depending upon their mortgage and escrow account status as well as their HTI. Applicants with mortgage loans will be reviewed for Reinstatement first, then Reinstatement with Monthly PITI Payment.

Note that to participate in the VMP, homeowners may not be in active bankruptcy, unless they have received bankruptcy court or trustee approval of such participation. Further, all homeowners participating in the VMP must work with their servicers to obtain reinstatement balances.

As of October 1, 2023, new applications will no longer be accepted. Applicants who began applications prior to September 30, 2023, will be given 10 days to complete their application to be considered for assistance. Monthly PITI Payment Assistance will be discontinued following payments for October 2023.

Reinstatement/Partial Reinstatement Assistance

Reinstatement/partial reinstatement assistance is a lump sum grant to bring eligible first and second mortgage(s) current up to Maximum Per Household VMP Assistance. This option will be provided to homeowners whose housing expense to income ratio (HTI) is documented to be equal to or less than 40%.

This option provides funds to eliminate past due payments and other delinquent amounts, including payments under a forbearance plan, on mortgages (including private mortgages), reverse mortgages, loans secured by manufactured homes, or contracts for deed.

Reinstatement with Monthly PITI Payment Assistance

Reinstatement with monthly PITI payment is a lump sum grant to bring eligible first and second mortgage(s) current and make future monthly mortgage payments (PITI) until the Qualified Financial Hardship has been removed, the homeowner(s) become eligible for other loss mitigation options with the current servicer, or until the Maximum Per Household VMP Assistance has been exhausted, whichever happens first. Homeowners receiving mortgage reinstatement assistance whose HTI is greater than 40% may be eligible for this option if the Maximum Per Household VMP Assistance cap has not been reached, after reinstatement is complete.

This option provides full payment assistance to homeowners unable to make mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic once all account balances have been brought current. This option is only available in conjunction with the mortgage reinstatement option meaning that forward paying mortgage payment assistance will not be made available as a standalone option.

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This option will require re-certification of income and hardship every 90 days while the payment is ongoing.

Special Conditions for Reinstatement Assistance Options

Under both the Reinstatement/Partial Reinstatement and the Reinstatement with Monthly PITI Payment options, the below apply:

- If the final PITI payment with VMRP Assistance funds results in a partial payment, a partial PITI payment will not be made.
- If the Maximum Per Household VMRP Assistance is not sufficient to fully reinstate, eligible homeowners must demonstrate sufficient other funds to fully reinstate or document an approved loss mitigation plan with their loan servicer regarding such shortfall, satisfactory to Virginia Housing or its agent. If the applicant is unable to reinstate the shortfall or come to a loss mitigation agreement with his or her loan servicer regarding such a shortfall, the applicant is ineligible for VMRP Assistance. Applicants who can and do choose to bring their accounts current to at least the point where VMRP assistance can make a full monthly payment do so at their own risk. VMRP assistance is not guaranteed based on application alone. Borrowers must meet all other eligibility requirements to obtain a favorable eligibility determination.
- These options are available to eligible homeowners currently in a forbearance plan, as well as those not currently in forbearance. However, the options are not available to homeowners who have been in a forbearance plan, exited such forbearance plan, and gone through the loss mitigation waterfall unless a qualified financial hardship occurred after homeowners exited the loss mitigation process. Note that future VMRP plans may be available to such homeowners.
- A special consideration for manufactured/mobile homes is that their classification as real or personal property depends wholly upon whether or not they are affixed to (immobilized and attached to) real property owned by the manufactured/mobile homeowner. Affixed mobile homes are taxed as real property whereas an unaffixed/unattached mobile home is taxed as personal property. Delinquent personal property taxes on an unattached mobile home are therefore an eligible cost under VMRP reinstatement options.
- The relationship of the mobile home to the ownership status of the underlying land presents additional potential homeownership cost concerns. Unaffixed/unattached mobile homes may be located on owned land or rented land. Delinquency on lot rent or land loans where such mobile homes are located pose significant risks in eviction and foreclosure on the land loan. As such, the VMRP may also pay delinquent lot rent or land loan payments, as part of the reinstatement grant.
- Homeowners whose primary residence is an unaffixed mobile home may also qualify for ongoing lot rent payments as part of this reinstatement with monthly PITI payment assistance option if they meet the same HTI requirement stated above, and assistance is available within the maximum assistance caps.

Taxes, Fees, and Insurance Assistance

Recognizing that costs associated with homeownership, if delinquent, can result in potential loss of ownership, additional liens, or loss of security protections, the VMRP will also assess homeowner applicants for associated homeownership cost assistance eligibility.

Homeowners with property charges included in escrow, borrowers with these fees that are not in escrow, and homeowners with no mortgage on their property may be eligible for

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payment assistance with delinquent property charges under VMRP. Assistance may include reasonably required legal fees of the payee associated with eligible expenses.

Homeowners must have at least one installment payment or lump sum amount in arrears on one or more eligible property charges, such as:

- Real estate property taxes
- Personal property taxes on unaffixed mobile home
- Lot or land rent associated with a delinquent mobile home loan (note that lot/land rent is only available through VMRP in connection with a delinquent mobile home loan, otherwise such assistance may be obtained through the Virginia Rent Relief Program).
- Homeowners' association fees, condominium association fees and special assessments, cooperative fees, or common charges, including for a lien extinguishment
- Homeowners' hazard or other property insurance, flood, and/or mortgage insurance

Any delinquency on these obligations must be the result of COVID-19 pandemic-related financial hardship and have been incurred after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that date). Further, to qualify for assistance under this option, the assessed value of the land and dwelling (as determined by the local taxing authority) must not exceed the conforming loan limits currently in effect if the taxes, insurance, and fees are not associated with a delinquent home loan.

Other Assistance Available

Virginia Housing plans to collaborate with housing advocates and legal aid resources to provide awareness of other federal and state mortgage assistance programs. Virginia Housing may also develop additional homeowner assistance options in the future, depending upon need and available funding. Such options would be designed to expand the reach of the VMRP and achieve the goal of reducing housing instability across Virginia.

VMRP Program Design

The following program design will first be implemented for the VMRP Pilot and carried through to the full VMRP when it is launched statewide. Any modifications that result from lessons learned during the VMRP Pilot will be reflected in an update to this HAF Plan.

Prioritization of Applications

The VMRP has established two application priorities.

1. Applicants at or below 100% AMI and socially disadvantaged applicants with incomes up to and including 150% AMI
2. Non socially disadvantaged homeowners with incomes of 100.01% up to and including 150%

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In addition, the VMRP recognizes that homeowners facing the imminent threat of foreclosure are at highest risk of potential for housing instability. Therefore, applicants whose foreclosure action will occur within 90 days or less of their application date will be flagged with a “priority factor” and have their eligibility review expedited.

Priority 2 Financial Set Aside

The VMRP will set aside 10% of each tranche of funding received to assist Priority 2 applicants. When the funding set aside is exhausted, any further assistance that may be made available to Priority 2 applicants will be announced through revision of this document and on the VMRP website. The VMRP will analyze remaining need amongst Priority 2 applications and available funding to reach this decision.

Screening and Application System

Virginia Housing will leverage a technological solution provided by a third-party contractor to facilitate an online screening and application process for homeowners. Each interested homeowner will register for an account in the processing system and be provided with a personal, private portal and landing page. The portal will display information regarding outstanding tasks to be completed by the homeowner, as well as screening and application statuses. Homeowners can upload and attach supporting documentation required for completion of the application through this technology solution.

VMRP Pilot Application Invitation

The VMRP Pilot was available to homeowners whose mortgage is serviced by Virginia Housing. VMRP assistance was available to these borrowers by direct invitation. Borrowers in the Virginia Housing mortgage loan portfolio were contacted directly by email, phone, or other means and provided program details, along with the link to the online application and phone number for the VMRP Call Center. Additional information about VMRP Pilot can be found at VirginiaMortgageRelief.com.

Full VMRP Application

Homeowners across Virginia seeking assistance through the VMRP will submit electronic applications via VirginiaMortgageRelief.com. The link to begin the pre-screening and application process on the VMRP website is <http://registration.virginiamortgagerelief-secureapp.com>.

The pre-screening and application system is a self-service portal that allows homeowners to register for the program, complete screening and application information, and submit supporting documentation. Applicant status updates are also available through the self-service portal.

Homeowners who are unable to access the online applicant portal or who require assistance in completing the online application may obtain support through the VMRP Call Center at 833-OUR-VMRP. Additionally, in-person assistance is available by appointment at the VMRP Assistance Centers which have been opened to support the full VMRP. Details on location of the VMRP Assistance Centers is available at VirginiaMortgageRelief.com.

Hours of operation for the VMRP Call Center are anticipated to be 8 am to 8 pm Monday through Friday. Hours of operation for the VMRP Assistance Center are anticipated to be 8 am to 5 pm Monday through Friday. Hours of operation may be increased or decreased

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depending upon demand for services. Any alteration to service hours will be published on VirginiaMortgageRelief.com.

Pre-screening

Registered homeowners will answer pre-screening questions for the VMRP based on the threshold eligibility criteria laid out by Treasury in the April 14, 2021, HAF Guidance, as updated August 2, 2021. Upon completion of these questions, homeowners will be informed whether the answers they have provided indicate that the homeowner's current situation meets program minimum requirements for participation.

Homeowners who meet the minimum program requirements will be able to proceed with their application and uploading the required documentation to complete and support their application request. Homeowners who do not meet the minimum program participation requirements will be provided with an explanation of the reason for ineligibility.

Screening Questions

Applicants will be asked a series of "yes/no" questions to determine if their current situation meets Treasury's minimum requirements for HAF program, and therefore the VMRP program. Answers to the screening questions will determine whether a homeowner can proceed to the full application or not. This process was designed to give potential applicants decisions about their requests as early as possible throughout the lifecycle of the program. To pass the screening questions, homeowners must:

- Live in Virginia
- Own and occupy their home
- Live in an eligible dwelling type (single-family single unit attached or detached home, condominium, cooperative, mobile, or manufactured home) as their primary residence (no second homes) which is a habitable (not condemned or having suffered material damage) structure
- Have experienced qualified financial hardship as a result of the COVID-19 Pandemic after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provide an attestation describing the nature of the financial hardship
- Have income within acceptable AMI limits
- Be behind on home mortgage or loan payments, including charges or escrows for real estate property taxes (or personal property tax for an unattached manufactured/mobile home), homeowners/condominium fees and special assessments, and property insurance, or other costs associated with homeownership without a mortgage including homeowners/condominium association fees, hazard, flood, or mortgage insurance, etc.)

Further, the pre-screening questions will ask whether the homeowner(s) is/are socially disadvantaged individuals, as defined by Treasury. Disclosure of this information is voluntary, but those socially disadvantaged individuals who do report this status may be prioritized for funding. The socially disadvantaged status reported by any person seeking assistance through VMRP will remain private. Statistics on socially disadvantaged status will be aggregated and reported without any association with an individual's identity.

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In prioritizing assistance to socially disadvantaged individuals per Treasury guidance, the VMRP eligibility requirements will permit Treasury's priority for socially disadvantaged individuals to be satisfied by any household member, rather than by only the applicant themselves. In the absence of clear Treasury Guidance to the contrary, this broader and more inclusive application of the socially disadvantaged individual definition appears to be consistent with the overall goals of the HAF program and is in keeping with Virginia Housing's mission. Any such household must have income equal to or less than 150% of the area median income.

The VMRP has adopted language from the August 8, 2022 Treasury HAF Guidance that states:

Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF if they experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that date) and have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. A HAF participant may provide HAF funds only to a homeowner with respect to qualified expenses related to the dwelling that is such homeowner's primary residence. HAF participants must require homeowners to attest that they experienced financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member).

Adoption of this language resulted in a policy change such that the previous VMRP requirement that only delinquencies incurred after January 1, 2020 was replaced with a new, broader delinquency requirement. As such a question that had been designed in the pre-screening process to prevent homeowners with prior delinquencies from moving forward with the application process unless and until such delinquency was cured has been changed. The new policy goes into effect January 11, 2023.

Homeowners that submitted their pre-screen answers prior to January 11, 2023 were informed that curing the delinquency alone would not guarantee receipt of VMRP assistance. If a homeowner elected to cure such delinquencies, the VMRP administrator would still make a final determination (based on the completed VMRP application and all required supporting documentation) that the homeowner was eligible for VMRP assistance. Curing the delinquencies incurred prior to January 21, 2020 was at the homeowner's own risk as VMRP assistance was not guaranteed. Homeowners who chose to cure prior delinquencies up to at least January 21, 2020 were encouraged to contact the VMRP at 833-OUR-VMRP so that a program staff member could assist with updating pre-screening answers and proceeding forward with the rest of the process. Due to the policy change stated above, this process is no longer required of homeowners.

As a result of the program's initial pilot activities, the VMRP application prescreen was modified to add a question related to foreclosure in progress. Applicants who answer "yes" to this question will trigger an expedited review.

Pre-Applications

An application that has been started, but not yet completed, is held in a pre-application status. This may be understood as an application in progress. This is a tracking status that will allow the program to analyze the number of starts versus completions.

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The application questions are designed to obtain information about the homeowner, homeowner's property, income, and mortgage, home loan, and homeownership costs. The application process requires acknowledgement of program terms and conditions, as well as the supply of additional household details and supporting documentation. Relevant information supplied during the pre-screening process will be imported over into the application.

Homeowners who start an application will be required to finish and submit the application, once started, within specified time periods that will be further described in the VMRP Policies and Procedures.

Acknowledgements

Homeowners seeking assistance must acknowledge and signify agreement/understanding to a series of statements covering the following topics:

- Understanding of limited funding available
- Program designed to assist homeowners with and without mortgages
- Requires homes in Virginia occupied as primary residence in habitable condition
- Maximum amount of assistance
- Program benefit structured as grant
- Description of eligible expense types
- Payments made on applicant's behalf and not directly to applicant
- Annual household income required
- Financial hardship certification requirement
- Prohibition against housing assistance from other programs covering same costs for same period
- Conforming loan limit requirement
- Contact information for receiving application assistance
- Time limits for completing application once started
- Time limits for returning missing or additional documentation
- Program prioritization
- Fraud warning
- Subrogation of any duplicative funding

Hardship Attestation

Homeowners must have experienced financial hardship because of the COVID-19 pandemic to be eligible to participate in the program. Homeowners must have experienced a qualified financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provide an attestation describing the nature of the financial hardship. Homeowners who pass the screening will be required, as part of the application to self-attest to this hardship by executing and answering a series of questions about the nature of the hardship. By signing and submitting the application that includes the homeowner's selections describing the nature of his or her hardship, the applicant is

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attesting to the truthfulness of this information. This will serve as a demonstration of hardship for purposes of the VMRP.

Required Documentation

The following documents are the minimum documentation requirements needed to review an application for assistance. All documentation must be provided by the applicant. A complete list of preferred and acceptable alternate documentation will be made available on the Virginiamortgagerelief.com website and in the program policies and procedures.

- Complete and fully executed VMRP application
- Photo identification (such as state issued i.d., passport, etc.)
- Homeowner(s) attestation supporting the nature of the financial hardship
- Household income documentation
- Households with no other means of documenting income may be allowed to proceed with the income self-attestation on a case-by-case basis through a VMRP waiver
- Homeowner or household member certification of zero earnings (i.e.: No social security income, no unemployment income, no business earnings, etc.), if applicable
- Copies of current mortgage statement(s) for each lien, mobile home loan statement or contract for deed agreement, as applicable, providing servicer / loan provider information and current loan status (if seeking mortgage/home loan assistance), if applicable
- Copies of real estate property tax, homeowner/condominium association fees and special assessments, cooperative fees, and/or property insurance statements, if applicable
- Copies of personal property tax for unaffixed mobile home, if applicable
- If loan payment and/or personal property tax being paid for an unattached manufactured/mobile home, lot rent statement.
- Signed third-party notification agreement between homeowner(s) and current mortgage servicer
- Completed W9 from Servicer and a completed Virginia Form W9, if applicable
- Signed subrogation agreement
- If in bankruptcy, proof of court or trustee approval to participate in the program
- Any other executed VMRP Form that may be necessary as a result of the applicant's specific situation (e.g., Same Name Affidavit, Waiver Request, etc.).

The VMRP intends to use third-party data to verify eligibility requirements to the maximum extent practicable. If third-party verification is not possible, the VMRP may require the collection of additional documentation from the applicant in addition to applicant self-certifications. Acceptable documentation to prove each of the eligibility requirements will be further outlined in the VMRP Policies and Procedures.

Notwithstanding the income documentation requirement stated above, Virginia Housing may also elect, in its discretion, to utilize a self-attestation of household income and a fact specific proxy (such as applicant's residence in a ZIP Code with average income below 100% of applicable AMI) as permitted by Treasury Guidance to determine income eligibility.

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As stated in the Screening Questions section above, VMRP is interpreting the socially disadvantaged individual targets as household level targets rather than individual owner targets.

Application Completion

The application will be considered complete once all required information has been entered, certifications have been completed, supporting documentation has been uploaded, and the application verification, program subrogation agreement, and consent and release forms are electronically signed and submitted. It is only when an application is complete that program staff may begin to evaluate the application for qualification for a program benefit. Further details about the application completion and submission process will be included in the VMRP Policies and Procedures.

Eligibility Review

Each completed application will be reviewed by VMRP staff. The review will evaluate whether the application is complete, documentation is sufficient, and eligibility conditions have been met for a homeowner to qualify for a benefit(s) and receive an award from the program. Additional or alternative documentation may be required as a result of this review. VMRP program staff will coordinate with homeowners when this is necessary.

Eligibility review will be conducted using standard operating procedures, standardized checklists, and a quality control process. All applicants proceeding through the eligibility review process will be notified of the outcome of the review. Detailed eligibility criteria will be available in the VMRP Policies and Procedures.

Applicant Award

Awards for assistance may not exceed the Maximum Per Household VMRP Assistance amount of \$50,000. Funding details will be provided in a Notice of Award based on the applicant's request and prioritized as follows:

1. If a mortgage or home loan
 - a. Mortgage/housing payment reinstatement (including taxes, condominium/homeowner association fees, condominium special assessments, cooperative fees, and mortgage, hazard, flood, and other property insurance), including reasonable legal fees incurred by the payee.
 - b. Monthly PITI payments (forward paying assistance)
 - c. Real estate property taxes
 - d. Condominium/homeowner association fees, condominium special assessments, cooperative fees
 - e. Hazard insurance, flood, mortgage, and other property insurance
 - f. Personal property taxes for unattached manufactured/mobile homes
 - g. Lot rental fees for unattached manufactured/mobile homes

Funding Disbursement

Funding will be issued to the entity to which delinquent obligations are owed (e.g. mortgage servicer or taxing authority, etc.). Prior to any funds being disbursed on behalf of an

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applicant, the applicant's servicer, local tax authority, or other payee must enter into a VMRP Partner Agreement. This agreement provides the VMRP with assurance that HAF proceeds will be accepted and applied appropriately to the eligible homeowner's account with that entity.

Withdrawn Applications

Applicants may voluntarily withdraw their applications at any time prior to disbursement of funds. Withdrawal procedures will be included in the VMRP Policies and Procedures.

Appeals

Applicants who have received an adverse decision related to eligibility may appeal. Appeal procedures, timelines for review, and decision communication will be outlined in the VMRP Policies and Procedures.

Complaints

A complaint can be filed by any interested party that takes issue with the programmatic, operational, or administrative activities of the Program. VMRP staff will maintain complaints records and route complaints as necessary to obtain resolution. Additional detail regarding how and where to file a complaint, as well as timelines for responses, will be provided in the VMRP Policies and Procedures.

Homeowner Responsiveness

During the application process, a homeowner is required to respond in a timely fashion with program requests for information/materials to complete the eligibility process. The program will make requests via application system notifications, phone, email and/or written correspondence. All attempted points of contact by the program will be memorialized within the eligibility system of record.

At no time should a request for additional information exceed program timelines. If the homeowner needs an extension, a clarification, or assistance, they may request assistance within the reference time period. If the homeowner fails to provide the requested information/materials or fails to ask for an extension or assistance, their application may be closed or put on hold. Exceptions may be available on a limited case-by-case basis. Additional details on these requirements will be available in the VMRP Policies and Procedures.

Note that this program is federally funded and that the VMRP is subject to ongoing audit requirements. As such, there may be a need for VMRP staff to collect additional documentation from an applicant even after an award has been made and/or paid. Applicants will remain under obligation to provide any such documentation that may be required in support of audit requests as a term of receiving VMRP assistance. Failure to comply with compliance requests may result in the need for an applicant to repay assistance.

Performance Goals

Treasury requires that each HAF participant establish goals and benchmarks, by program and by targeted population, for assistance using HAF funds. The performance goals must identify how they address homeowner needs identified by Virginia Housing in the HAF Plan.

Performance goals must be disaggregated by key characteristics such as mortgage type, racial and ethnic demographics, and/or geographic areas (including rural communities), as appropriate for the jurisdiction. Each HAF participant must include a goal focused on reducing mortgage delinquency among targeted populations.

Virginia Housing's VMRP has been established to reduce mortgage delinquency across the following groups:

- Homeowners at or below 100% of the AMI, or national median income, whichever is greater
- Socially disadvantaged groups, as defined by Treasury

Performance measures that Virginia Housing will track to measure performance of the VMRP, as designed, may include:

- Outreach saturation to targeted populations (# outreach activities completed, impressions made, inquiries received, applications initiated, applications completed categorized by geographic and demographic profiles)
- Reduction of delinquency and foreclosure (# homeowners served through mortgage reinstatement and exiting delinquency or foreclosure status)
- Reduction of forbearance (# homeowners exiting forbearance programs as a result of VMRP assistance bringing loans current)
- Dollar value and number of assistance awards provided to households with Federal Housing Administration (FHA), Department of Veterans Affairs (VA), or U.S. Department of Agriculture (USDA) mortgages and homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers.
- Dollar value, number of assistance awards, and percentage of assistance total assistance demographic groups, particularly those designated as Socially Disadvantaged
- Rate of assistance provided (average duration of time applicant is in the program from initial application completion to assistance payout)

Additional details on initial performance goals can be found in Appendix C, as part of Virginia Housing's submission of the Treasury HAF Plan Template.

Readiness

Staffing and Systems

Virginia Housing's staff is well-versed in housing finance operations. In addition, Virginia Housing has procured a program management service provider to support design and operation of the program. The service provider was selected through a competitive process.

Virginia Housing's program management vendor will provide the online screening and application system, call center, applicant services, eligibility review, quality control, payment processing, and reporting support. The service provider and Virginia Housing staff have worked collaboratively to develop the program framework and define program policies and procedures.

Virginia Housing will publish the VMRP Policies and Procedures to the program website. These will be updated and maintained throughout the life of the program.

In addition, Standard Operating Procedures for every task associated with the grant process will be developed. All staff will be trained on the overall program policies and procedures as well as task specific standard operating procedures. At a minimum, standard operating procedures will cover:

- Call Center Operations and Customer Service
- Application Intake and Completion
- Case Management
- Eligibility Review
- Quality Control
- Payment Processing
- Anti-fraud, Waste and Abuse

Website

Virginia Housing has a public website providing access to information and programs administered by the agency. The website can be viewed at Virginiamortgagerelief.com. Virginia Housing will maintain information on activities funded through Treasury's Homeowner Assistance Fund through this website.

Content of the webpage may include links to items such as the HAF Plan, HAF Plan Amendments, citizen participation opportunities, application access, complaint and appeal submission, and program information for activities described in the HAF Plan.

Reporting and Compliance

Virginia Housing will be required to submit quarterly reports to Treasury that include financial and targeting data, and other information. In addition, Virginia Housing will be required to submit an annual program report to Treasury regarding the impact of the VMRP. Reporting structures will be established to ensure timely delivery of required reports. Further, the

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VMRP electronic system for homeowner screening, application, and processing is designed to maximize data availability and will integrate with Tableau or similar reporting software to ensure creation of robust program reporting.

Internal Controls

Internal controls are processes used to ensure operational effectiveness and efficiencies. Internal controls consist of the policies and procedures, job responsibilities, qualified personnel, and records management systems that are designed to safeguard assets such as cash, property, etc. Virginia Housing monitors its own operations as well as its procured service providers for compliance with statutes, regulations, the terms and conditions of the federal award and grant agreements, contracts, and designated policies and procedures.

Financial Controls

Financial management and control of the Treasury HAF grant is the responsibility of Virginia Housing. Virginia Housing has a financial management system that addresses internal controls, payment, and financial reporting, revision of budget and program plans, allowable expenses, record retention, and access.

Virginia Housing maintains accounting and grants management systems to support multiple programs across the department. In combination, these systems provide accurate, current, and complete disclosure of the financial status of each grant-supported activity, according to the terms and conditions of the Grant Award Agreement. In addition, the program may be selected for audit by Virginia Housing's internal or external auditors.

Quality Control

Quality control measures will be built into the program's workflow system, providing automated checks for accuracy and task completion. In addition, Virginia Housing's program management vendor implements quality control procedures at the task level. These include processes such as the use of standardized checklists, internal technical reviews of each program decision point, and dedicated quality review teams.

Virginia Housing will also implement a quality control system to sample work products of the program management vendor. The sampling methodology is intended to provide reasonable assurance of program integrity.

Procurement

Virginia Housing is a "State" as that term is defined in 2 C.F.R. part 200. As such, Virginia Housing is subject to those non-procurement regulations procurement provisions required pursuant to 2 C.F.R. § 200.317. To that end, all procurement activities undertaken by Virginia Housing are governed by a written code of standards of conduct pertaining to the performance of employees engaged in the awarding and administration of contracts, the *VHDA Procurement Policy Manual*, including those activities using non-federal funds. Ethics and Standards of Conduct in procurement activities are further detailed within the *VHDA Procurement Policy Manual*, Virginia Housing's Policy HR 300 *Code of Conduct*, and the Virginia State and Local Government Conflicts of Interests Act, Code of Virginia §§ 2.2-3100, et. seq.

Anti-Fraud, Waste, and Abuse

Federal programs require that specific policies be developed to prevent fraud, waste, and abuse. Therefore, the VRMP will establish procedures for verifying the accuracy of information provided by Program applicants and vendors to the extent feasible while complying with Treasury HAF guidance related to the removal of barriers to program access. VRMP electronic systems and data repositories, as well as quality review systems, provide another layer of control to detect inconsistencies or potentially fraudulent activity. Further, all applicants are required to attest to the truthfulness of the information which they provide. This attestation is under penalty of law. This additional measure provides the VRMP with recourse in the event anyone knowingly and willingly provides false or misleading information in connection with the application or supporting documentation that materially affects the Program's determination of eligibility.

Virginia Housing and its implementation vendor(s) will refer suspected cases of fraud, waste, or abuse to the most appropriate law enforcement agency at the time based on the nature of the wrongful action, which could be the Virginia Capitol Police, the Virginia State Police, or the Federal Bureau of Investigation. Reported cases of fraud, waste, or abuse related to funded activities will be reported to Treasury.

Records Management

Records include financial records, supporting documents, statistical records, and all other pertinent records demonstrating program compliance. Records are maintained to document compliance with VMRP requirements and federal, state, and local regulations and to facilitate audit review. Records are maintained in accordance with 2 CFR Part 200.333-337.

Personally Identifiable Information

All files containing PII will be handled in a secure manner. To protect PII, files are given a unique identification number. All VMRP staff will undergo training specific to protecting PII.

File Security

All records will be maintained in an electronic format. Files are secured to ensure the privacy of all applicant PII. The vendor will back up files on a routine basis. Required reports to stakeholders may include applicant program identification numbers or property addresses, but will not include unique identifiers such as social security numbers, etc. Role-based access is implemented within the VMRP electronic systems. Further, password protection and encryption are used to the maximum extent feasible, where applicable.

Contracts and Partners

Virginia Housing has entered into a contract with a vendor to support the design and implementation of the VMRP. Virginia Housing will ensure that all vendor contracts address:

- Anti-fraud provisions
- Protection of personally identifiable information (PII)
- Performance standards
- Provisions for monitoring work in progress
- Requirements for completing background checks on employees

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Virginia Housing's contracted implementation vendor will be responsible for providing the electronic pre-screening, application, and eligibility system. The vendor will provide services for pre-screening interested homeowners, determining the eligibility of completed applications (including income eligibility), issuing withdrawn, notice of award, and/or denial notices, issuing payment of grant funds to servicers/payees, validating payment, auditing for duplicate applications, providing customer service support to program applicants, processing appeals, and any other tasks assigned under the contract.

VMRP Leverage with Other Financial Resources

Virginia Housing will undertake its best effort to leverage the assistance that might be available for homeowners through other partners.

Reallocation of Funding

Virginia Housing will seek approval from Treasury prior to reallocating funding from a program as described in the approved HAF plan to be used for a different purpose if any of the following is true:

- the aggregate reallocations from any qualified expense category equals or exceeds 10% of the amount allocated to that qualified expense category in the HAF plan approved by of the amount allocated to that qualified expense category in the HAF plan approved by Treasury;
- Virginia Housing is proposing to allocate funding to a new qualified expense category or is creating a new program or terminating a previously approved program; or
- the reallocation redirects 1% or more of the participant's total HAF allocation from program costs to administrative costs.

Budget

Treasury has made an initial payment from the HAF available to Virginia Housing, in an amount equal to 10% of the total amount allocated. This comes to \$25,844,431.10. See Table 16.

To receive this funding, Virginia Housing entered into a financial assistance agreement with Treasury and committed to using the funds only for qualified expenses, as listed in the April 14, 2021, Treasury HAF guidance. Treasury made these funds available upon Virginia Housing's submission of its notice of funds request.

No more than 50% of the initial payment (\$12,992, 222) may be used for planning, community engagement, needs assessment, and administrative expenses. The balance of the available funding (\$232,599,988) will be provided by Treasury upon approval of Virginia Housing's HAF Plan.

Table 16: Virginia's Available Funding for Planning, Administration, and Pilot

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Treasury Allocation to Virginia	10% of Total Allocation	50% of 10% Initial Payment
\$ 258,444,431	\$25,844,443.10	\$12,992,221.55

Treasury encourages HAF participants to use these initial payments to create or fund pilot programs to serve targeted populations, and to focus on programs that are most likely to deliver resources most quickly to targeted populations, such as mortgage reinstatement programs. Virginia Housing is using the initial payment for costs associated with planning, designing, and delivering both the VMRP Pilot and the full VMRP. This includes costs to support activities such as public engagement, needs assessment and plan development, program startup, and administrative costs. This is in addition to the VMRP Pilot benefits for payment of delinquent mortgages, ongoing principal, interest, taxes, and insurance (PITI), and associated costs to prevent homeowner displacement.

Planning, community engagement, needs assessment, and administrative expenses related to Virginia Housing’s disbursement of HAF funds for qualified expenses, in an aggregate amount, will not exceed 15% (\$38,776,664.65) of the funding from the HAF received. The initial budget allocation in Table 17 was developed reserving the maximum available administration cost. This conservative approach was taken in order to ensure that the VMRP has the appropriate resources necessary to plan, design, implement, and oversee the HAF funding.

Virginia Housing will exercise every opportunity to reduce administration and planning costs and maximize funding available to eligible Virginia Homeowners. More detailed budget breakdowns will be submitted to Treasury either in future HAF Plan amendments or required reporting products as program development evolves and true costs become clearer. Further, Appendix C contains Virginia Housing’s submission of the Treasury HAF Plan template which outlines the initial estimated line-item breakdown by program option.

Table 17: VMRP Allocation

Cost Category	Dollars Allocated
VMRP Pilot	\$12,852,221.55
VMRP	\$206, 815,544.80
Administration and Planning	\$38,776,664.65
TOTAL	\$258,444,431

Treasury further requires that a minimum of 60% of the total available funding, be spent on populations of homeowners whose income is at or below 100% of the AMI or the national median income, whichever is greater. This means that Virginia Housing must spend at least \$155, 066, 659 on eligible homeowners at or below the 100% AMI/national median income threshold. See Table 18.

Table 18: Treasury Funding Targets

Treasury/VMRP Requirement	Target Group	Minimum Spend Required
Treasury 60% Funding Minimum	At or below 100% AMI	\$155,066,658.60

Appendix A: Response to Public Comments

A total of 26 public comment submissions were received during the open public comment period from July 21 to August 6, 2021. Of the 26 comments received, 21 were unique submissions and five were repeat submissions. The table includes the content of the 21 unique submissions, along with Virginia Housing responses, as well as seven public comments received during the public meeting. Any personal information related to loan type, loan servicer, or other information contained in a public comment with private personal details has been redacted, otherwise comment content has been preserved precisely as submitted.

Note that at the time of public comment and response, program maximums were established at \$30,000 or 20 months of assistance, whichever limit was reached first. As of 3/17/2022, the VMRP has updated policy to change the program maximum by increasing the dollar value from \$30,000 to \$40,000 and removing the 20-month limit.

Note that as of January 10, 2023, the program maximum was increased from \$40,000 to \$50,000 and the requirement that delinquency incurred only after January 21, 2020 has been replaced with "delinquency related to a hardship experienced after January 21, 2020 (including a hardship that began before January 21, 2020 but which continued after that date)" now qualifies. These changes take effect January 11, 2023.

No.	Comment	Response
1	<p>Greetings VMRP team! Thank you for the informative session this morning. I am pleased to hear that work is getting started to assist homeowners with past due balances due to COVID. There are a few things I would appreciate your consideration for:</p> <p>I have a [REDACTED] loan serviced through [REDACTED] which was past due prior to COVID. [REDACTED] requires any past due balance to be paid in full, they do not accept any partial payments. For example, if I were three months behind, \$4500, I would have to pay this in full to bring the loan current. [REDACTED] will not accept a partial payment during the forbearance moratorium, or anytime; to allow residents to catch up on prior balances.</p> <p>It was stated that eligibility for the VMRP requires that any past due loan balance be brought current. I am</p>	<p>Thank you for your careful review of the VMRP. Virginia Housing has considered these comments and has the following response:</p> <p>With regard to past due balances, the program is already designed as a mortgage reinstatement program to assist homeowners with bringing past due balances current; however, there are some parameters around this due to limited funding availability and the intent of the Treasury-provided Homeowner Assistance Fund. Therefore, the VMRP will limit assistance on mortgage reinstatement to those eligible arrearages that were incurred as a result of financial hardship attributable to the COVID-19 pandemic, incurred after January 20, 2021.</p> <p>The requirement under VMRP that the homeowner's home be the occupied primary residence of the borrower will not change. Treasury guidance requires "A HAF participant may provide HAF funds only to a homeowner with respect to qualified expenses related to the dwelling that is such homeowner's primary residence." See</p>

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No.	Comment	Response
	<p>concerned, this is not feasible for me and many other Virginians of color living in depressed areas. The most vulnerable residents were already struggling with mortgage payments. We have no way to pay off these balances in a lump sum.</p> <p>I have temporarily moved in with my family to assist with COVID and began offering short-term and vacation rentals at my home. My goal is to save money to pay off my past due balance. I do not have the full amount required, but I am close. However, now I am ineligible for any loan modification assistance because my home is no longer my current address. Now, I am not eligible through [REDACTED] for a payment plan or any other plans to pay off the previous balance. And of course, no financial institutions are rushing to loan money to a consumer who is behind on their mortgage with no home equity or other assets. It does not matter to [REDACTED] that it is my full intention to return to my home on a full time basis once the pandemic is under control.</p> <p>I am unemployed. I live with very high risk family members who cannot tolerate exposure to COVID. This has significantly reduced my employment options. The VEC cut off the unemployment insurance I am eligible for again in May, suddenly and without explanation. And like thousands of other Virginians I am unable to get any assistance on the phone, online or in person. They've cut payments back on before after an unexpected break, and I am hoping they will do the same again. Currently, my only income is from vacation rentals at my home. The income is enough to cover the mortgage and expenses, but is far from the 40% threshold currently required by the VMRP. (mortgage \$1030, income \$1800)</p> <p>So, in summary, please find a way to consider: - those still unemployed</p>	<p>Homeowner Assistance Fund Guidance, U.S. Department of the Treasury, August 2, 2021.</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40% housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household's housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p> <p>VMRP is subject to a cap on assistance to any applicant of the lesser of \$30,000 or 20 months, as well.</p> <p>VMRP will prioritize promotion of the program through enhanced levels of outreach to ZIP Codes identified as having high and significant risk of mortgage delinquency, default, and foreclosure. VMRP funding is limited, but will be available on a first come, first serve basis for those with incomes that meet the Area Median Income standards set forth by Treasury.</p> <p>All sources of income for adult household members (18 years or older) are taken into consideration when determining a household's area median income for program eligibility purposes. This includes rental income.</p>

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No.	Comment	Response
	<ul style="list-style-type: none"> - those ineligible for modifications through their banks to bring their loan current to Jan. 2020. - those unable to reside in their homes (temporarily) - those earning less than required, but still enough to cover mortgage costs - priority for homes in foreclosure or approaching foreclosure status <p>*Feedback: the comments provided by the staff, although not meant to answer questions directly, revealed a surprising lack of knowledge on how mortgages are handled by the banks and how income is calculated. (For example, whether rental income counts as income was brought up by a presenter). I appreciate you all are in a very difficult and time sensitive situation, I can relate. It would be very reassuring to hear from a presenter with direct or even personal knowledge of how to save a home from foreclosure, so the VMRP can be better tailored to meet this need.</p>	
2	<p>I agree with one of the callers that the criteria used to determine eligibility will cause a lot of homeowners to be overlooked for assistance.</p> <p>Also, homeowners that have already ended their forbearance and have some type of loan modification, such as a partial claim, should be eligible for assistance.</p>	<p>Thank you for your comments. Virginia Housing provides the following response:</p> <p>VMRP recognizes that homeowner situations vary greatly and that a tremendous number of households have been negatively impacted by the COVID-19 pandemic. Due to limited funding availability and mandatory Treasury requirements, Virginia Housing conducted a statewide evaluation of need. The program design and eligibility requirements were informed by this assessment. The eligibility requirements have been created to assist homeowners with financial hardship due to COVID-19 with incomes that fall within Treasury-required AMI limits.</p> <p>Homeowners currently in a forbearance plan are eligible for the program. Homeowners that have been through a forbearance plan and the loss mitigation process are not eligible unless there has been a subsequent qualifying hardship. At this time, the program will not pay off HUD partial claims.</p>
3	1. Does your mortgage loan have to currently be in default to apply for assistance?	Thank you for your questions. Virginia Housing provides the following responses:

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	<p>2. Can you apply if you took the partial claim loan option for the past due mortgage payments accrued during forbearance but have now resumed making mortgage payments?</p>	<p>No, your mortgage loan does not currently have to be in default to apply for the program. Homeowners must be in arrears on at least one installment payment for their mortgage or other homeownership costs (real estate property taxes, insurance, association fees/charges, or legal fees) that came due after January 21, 2020.</p> <p>Homeowners currently in a forbearance plan are eligible for the program. Homeowners that have been through a forbearance plan and the loss mitigation process are not eligible unless there has been a subsequent qualifying hardship. At this time, the program will not pay off HUD partial claims.</p>
4	<p>Is there a link for the virtual hearing that is on Thursday at 10? I may need to watch later as I have a commitment. I think we need to be careful with relief, which I was all for in the beginning...but now a year and more into it we have an employment crisis fueled by those who no longer want to work as some are taking advantage of the system...no mortgage, no rent, unemployment checks. We need to assess where this relief become enabling and a big get out of jail free card and be very stringent on who receives the relief with many safe holds in place.</p>	<p>Thank you for your comments.</p> <p>The video of the public forum conducted at 10:00 am EST on Thursday, August 5, 2021, is available at VirginiaMortgageRelief.com.</p> <p>Treasury has provided parameters within which Homeowner Assistance Fund dollars can be spent, such as income eligibility requirements and a financial hardship requirement. The VMRP has been designed to conform with these parameters.</p>
5	<p>A couple of questions/feedback:</p> <p>1) Can we add hyperlinks to the PDF – the links and e-mail addresses mentioned, as well as various things referenced (e.g. the American Rescue Plan of 2021 – this FACT SHEET is probably better because it summarizes the ACT VS the link to the actual legislation)?</p> <p>2) From an equity standpoint (this is extra work, but we also need to think of who we serve), can we create a “laments terms” explanation of things? Fortunately those of us on the Advisory Board and this e-mail chain are pretty educated folks and can understand the public notice; but many folks – especially those who will be</p>	<p>Thank you for your feedback.</p> <p>The public notice was created consistent with public notice requirements. In addition, information (including a FAQ) about the VMRP can be found on VirginiaMortgageRelief.com. As program materials are developed for public dissemination, they will also be made available to our community partners, advisory boards, and the public.</p>

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	<p>impacted by the HAF – cannot understand what’s in the notice whatsoever. Although its likely that their input and appearance at public hearings will be low, I think it will increase if what we put out is in a more understandable format. I’m happy to help you all (if needed) in crafting that language.</p> <p>Thanks, and please advise!</p>	
6	<p>Thank you for the opportunity to voice our concerns about any future delays to the HAF application process.</p> <p>Until COVID-19 hit, many of us were financially sound, fiscally responsible, and had a safety net in savings to secure our homes and family expenses. I have none of these now. In my case, on March 16th, 2020, I lost all of my business contracts due to venue closures in the senior communities I serve. These venues recently decided to remain closed to contractors given the new Delta variant threat. In 2020, I had only one quarter of business income. In 2021, I have had NO business income. My options through the SBA have also been limited, because several programs ran out of funds before I could apply.</p> <p>This lost revenue represented a third of my income, and was critical to being able to make mortgage payments. I have been in forbearance since April 2020, and I am in my final month. If I do not receive some assistance soon, I will lose my home of 15 years...the home I have substantial equity in, but no way to access it due to the forbearance.</p> <p>I must be able to go through a loan modification process and make a number of payments -- on time -- to my lender, before I have any chance of using my equity to pay off other bills incurred during the pandemic. The federal assistance promised under the HAF legislation is my only hope to save my home and safeguard this legacy for my son.</p> <p>The Treasury Department guidelines are clear as to who qualifies for funding. I meet all of the criteria. The HAF program was</p>	<p>Thank you for your comments.</p> <p>In order for Virginia Housing to receive the full HAF allocation, Treasury must review and approve the VMRP HAF Plan. Treasury required the agency to conduct a data-driven Needs Assessment and create a program design to meet identified needs while complying with the limits on funding as described in Treasury Guidance. Plan development also required notice and opportunity for public comment.</p> <p>Virginia Housing has concluded its Needs Assessment and Plan development activities, including the public comment period. Virginia Housing immediately began to assess public comments and revise the VMRP Draft Plan in preparation for submission to Treasury for approval.</p> <p>Treasury opened the portal required to submit HAF Plans on Friday, August 6, 2021. Virginia Housing intends to finalize the plan and submit for Treasury review no later than August 15, 2021. Upon Treasury approval of the plan, the full VMRP will be launched statewide.</p> <p>The VMRP launched its pilot program July 27, 2021, and that is being rolled out to the homeowners, prioritized consistent with Treasury guidance, in the Virginia Housing loan servicing portfolio.</p>

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	created for people like me. Please, do not delay the application process any further.	
7	<p>Thank you for the opportunity to comment for the Virginia Mortgage Relief Fund and for all your work in setting up and distributing these important resources. Given the pandemic's disproportionate impact on people of color, our historic and systemic racist housing policies, and our persistent homeownership and wealth gaps, I strongly advocate for these funds to be used to preserve and support Black and Latino homeownership.</p> <p>Thank you!</p>	<p>Thank you for your feedback.</p> <p>The VMRP is designed within parameters established by Treasury and does emphasize homeownership retention for socially disadvantaged groups.</p>
8	<p>Yes I want to speak. Thanks you. It says you need my phone number. I don't have a TEAMS account. How do I call in via telephone?</p>	<p>Prior to the public forum, Virginia Housing responded in the following way.</p> <p>We received your messages but have been unable to reach you by phone. To speak at tomorrow's public hearing, you may either:</p> <ol style="list-style-type: none"> 1. Follow the instructions within the registration confirmation that was previously sent to [REDACTED]. A Microsoft Teams account (nor the application) is not required as you may join through your internet browser without an account. 2. Or, call in (audio only) +1 919-429-9986,106431165# / Phone Conference ID: 106 431 165#
9	<p>Thank you for considering my input.</p> <p>I would like this to be submitted in lieu of in person testimony. I would like to make sure the Commonwealth makes a special consideration for the following types of mortgage holders:</p> <ul style="list-style-type: none"> -Those of us whose loan was Cares Act forbearance eligible & therefore not eligible for CARES Act mortgage assistance. -Socially disadvantaged individuals; I hope the state also assists disabled owners (as deemed either by SSDI, the VA or 	<p>Thank you for your comments.</p> <p>The VMRP is designed to assist homeowners experiencing financial hardship due to COVID-19 that has resulted in mortgage delinquency, forbearance, default, and foreclosure. The program will assist qualified homeowners with federally backed and conventional mortgage types, as well as homeowners with no mortgage who may be delinquent on real estate property taxes, homeowner's, flood, and/or mortgage insurance, and homeowner/condominium association fees and associated charges.</p>

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	<p>FERS/OPM.) We are certainly in a disadvantaged class, despite a common misconception that we may have had a stable income during the pandemic, some of us also work and saw a drop in our work-related income or had it cease all together.</p> <p>-This maybe a separate program but the state allows for the county to waive real estate tax for disabled owners as well. I've been given conflicting advice but told the Commonwealth allows it and the County sets the income limits. Mortgage holders who had their tax waived last year and were advised to seek out CARES Act forbearance by the county may have had an unusual increase in asset level that should not contribute to their income for real estate purposes. With rising property values it becomes almost impossible to actually afford to remain in my home/condo and pay real estate tax.</p> <p>-I'm unsure if the HAF can assist with any of these but I would like to also note there are programs designed to help with repairs and energy efficiency for single family homes (SFH) that do not help condo owners and certainly with the collapse in Florida I would hope the Commonwealth wants to keep that from happening here & help owners who do not have the funds to pay special assessments or see HOA fees increased. They include the following, one of which I don't have a name for.</p> <p>SFH can have repairs paid for via this program but condo owners can't. That should change. for https://www.dhcd.virginia.gov/eharp</p> <p>Dominion keeps mailing me flyers that permit for incentives for energy updates but when I inquire about them I'm told they are only for SFH. This would also help with energy efficiency not just finances.</p>	<p>Treasury's updated guidance dated August 2, 2021, clarified the definition of socially disadvantaged individuals. The new definition is:</p> <p>Socially disadvantaged individuals are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the HAF participant's jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment under this definition may include being a (1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society, (2) resident of a majority-minority Census tract; (3) individual with limited English proficiency; (4) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or (5) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with a process developed by a HAF participant for determining whether a homeowner is a socially disadvantaged individual in accordance with applicable law, which may reasonably rely on self-attestations.</p> <p>With regard to income qualification for VMRP, the program will use the Treasury allowed IRS 1040 method of calculating annual household income. This does not require asset testing.</p> <p>The VMRP is not paying for home or condominium repairs or assisting with utility payments. Delinquent payments for condominium special assessments, fees, and associated charges as described in the VMRP Plan may be eligible.</p>
10	I want to speak during public comment but the link to register takes me to TEAMS and	Thank you for your comments.

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	<p>won't accept my phone number. [REDACTED]</p> <p>-13CFR I'm aware that CFR is Federal Regulations, but why aren't disabled part of the "Socially Disadvantaged" category?</p> <p>-Overall The Treasury gave funds to states based on the number of people in forbearance and unemployed. I was pushed into forbearance by my county & didn't receive CARES Act mortgage help. Community housing groups told me there was a gap and people like me were left out of the last round of aid so to advocate and I would likely qualify for the HAF. I did this locally. But upon reviewing these guidelines, if I understand them correctly, I'm left out of this round of funds too.</p> <p>So how I see it is that county officials encouraged me to put my loan into forbearance and then they will receive an influx of funds based that I don't qualify for again.</p> <p>It seems there is an assumption that because all 3 Northern VA counties ONLY have 12-24% with less than 100% AMI, and other counties have more, the need is greatest in those counties. This fails to take into account low income individual in high income zip codes who are left out of stakeholder engagement as well so you assume we don't exist when in fact we might be of the greatest need yet hardest to identify.</p> <p>Page 32. Why did a "needs" assessment say those in high risk zip codes get help first? Similar to SBA that said they helped low income people with targeted EIDL but they really only helped low income zip codes, not people. Aren't the most in need the ones in high income zip codes but low income people as they risk being homeless as they can't afford to live in their community w/o help? Also, suggest you look at the income limits for who qualifies for legal aid</p>	<p>Treasury has defined Socially Disadvantaged Individuals. This definition was recently updated on August 2, 2021. Please reference the answer to question 9 for copy of the new definition or visit https://home.treasury.gov/system/files/136/HAF-Guidance.pdf to obtain a copy of the guidance.</p> <p>The VMRP may assist qualified individuals whose household income is below 150% of the Area Median Income (AMI). Qualification is based on the income of the household as compared to the community level AMI in the household's local area. AMI limits by household size are published by the U.S. Department of Housing and Urban Development.</p> <p>The full VMRP will be open to homeowners statewide. There is no prohibition of assistance based on the ZIP Code in which a homeowner lives.</p> <p>The Needs Assessment identified those ZIP Codes where mortgage forbearance, delinquency, default, and foreclosure are highest, coupled with a number of other factors that make the risk of a homeowner losing his or her home the greatest. The highest and most significant risk ZIP Codes will be targeted for increased outreach and promotion of the program. This does not mean that homeowners in these ZIP Codes will be prioritized for assistance over individuals living in other ZIP Codes. The program is a first come, first serve model where priority is given to applicants at 100% AMI or less and socially disadvantaged homeowners at 150% AMI or less. Further, income qualification for legal aid has no bearing on qualification for VMRP.</p> <p>The VMRP Pilot is assisting homeowners with mortgages serviced by Virginia Housing. There are multiple loan types beyond VA and FHA loans contained within the portfolio.</p> <p>The full VMRP will assist homeowners with both federally backed and conventional mortgages. Treasury guidance encourages a pilot program and that the pilot serve the</p>

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	<p>before assuming they reach your target population, as I have been told I'm too high income at less than 40% AMI.</p> <p>Pilot program -Why is the pilot first to help VA and FHA loan holders? Unlike holders of traditional loans, government backed mortgages were able to re-finance and save money that way. There were programs that existed federally to allow low income people in high income zip codes to re-finance ONLY if their loan was government backed leaving traditional loan holders paying high rates.</p> <p>pg 42. -If folks with ZERO earnings are the only ones helped, UI pay counts as income, why did the state get money based on the number of us getting UI? Also, in reality this is rewarding people who left the labor market altogether here as UI only pays folks actively seeing work.</p> <p>- Re-instatement program is only eligible to those w income ratios of equal to or less than 40%, that appears to rule out all of Northern Virginia where the average condo is 700k plus. Who, low income and needy has housing costs at less than 40% of their zero income?</p>	<p>types of loans in the Virginia Housing portfolio.</p> <p>There are a number of reasons why an individual in a household may have no earnings in addition to an unemployment situation. For income calculation purposes, the program must assess the total income of all adult household members. The requirement referenced on page 42 is a single component of the documentation requirements in the event a household member has no income. Inclusion of this requirement does not mean that the program is using the zero income as any sort of basis for prioritization for assistance.</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40% housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household's housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p>
11	<p>I'm not sure if this addresses all of my concerns or not, but I'm at about 40% AMI, unable to obtain CARES Act funds as my loan was eligible for forbearance & can't refinance due to high cost of housing as my only debt in my DTI ratio (I think 61%). Truly helping long term would be using these funds to incentivize lenders approving a re-finance like the HARP program. The previous comments I sent should be included in this, after I attended the comment period I might understand more. I hope. :)</p> <p>Thanks for the opportunity to comment.</p> <p>Eligible homeowners: Add owner occupied</p>	<p>Thank you for your comments.</p> <p>The eligible expenses that a state agency receiving HAF proceeds can undertake are enumerated in the Treasury Guidance dated August 2, 2021. It can be found at https://home.treasury.gov/system/files/136/HAF-Guidance.pdf. Incentivizing lenders to refinance existing loans is not an eligible expense.</p> <p>The VMRP is currently designed to assist eligible homeowners who are owner occupants of their home and where such home is the primary residence.</p>

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	<p>Housing Obligations: Add condo special assessment.</p> <p>Qualifying Expenses: Add condo special assessment.</p> <p>(Add disability real estate tax fees if previously waived by the county as part of the disability waiver of real estate tax, yet forbearance lead to an increase in assets in 2021 leading the need to pay taxes for the first time this year.)</p> <p>Pv v; 13.CFR: CFR is the Code of Federal Regulations, but why aren't the disabled part of the "Socially Disadvantaged" category or the needs assessment? And can the State add that as an addendum to how they will use these funds? (Perhaps part of the underserved communities.) Only 17% of disabled people are employed (Bureau of Labor Statics.)</p> <p>Needs Assessment Feedback. If there is any way to allow these funds to permit low income owners to re-finance, despite their high DTI, that would be the best way to help long term financial housing security in the State. Traditional loan holders, like myself, whose only debt is housing appear to be left out of all the ways designed to help with temporary aid or long term federal programs to re-finance.</p> <p>The Treasury gave funds to states based on the number of people in forbearance and unemployed yet the guidelines leave out many of them if their housing cost is too high. It seems there is an assumption that because Northern VA counties only have 12-24% with less than 100% AMI, the need is greatest in the State's other counties. This fails to take into account low income individual in high income zip codes who are left out of stakeholder engagement and the needs assessment t as well so the plan seems to assume they don't exists when in fact they might be of the greatest need, at risk of being displaced within the community, yet hardest to identify. They also weren't reached or even aware of the public comment period as that was advertised in other parts of the State only. (overall but pg 30 range.)</p>	<p>Condominium special assessments have been added to clarify that they are an eligible expense.</p> <p>Delinquent real estate property taxes are already an eligible expense under the VMRP.</p> <p>The definition of Socially Disadvantaged Individuals is set by Treasury and is not alterable by Virginia Housing or the VMRP. That definition has recently been clarified. Please see response to comment 9 or current Treasury guidance.</p> <p>The VMRP is primarily a mortgage reinstatement program. Neither Virginia Housing nor the VMRP have authority over lenders regarding their refinance options or qualification requirements.</p> <p>The Needs Assessment has considered a number of homeowner characteristics demonstrating financial hardship, geographic distribution, and social disadvantage. The result of the Needs Assessment is that certain ZIP Codes were identified as having the highest and most significant risk of loan default and foreclosure. These ZIP Codes will be targeted for public outreach when the full VMRP is launched. However, this does not mean that homeowners in these ZIP Codes would receive assistance before homeowners in other ZIP Codes as the program will be open to all homeowners at the same time.</p> <p>The following is a summary of the steps Virginia Housing took to provide notice of the August 5, 2021, public hearing and the draft HAF Plan and to solicit public comment:</p> <ol style="list-style-type: none"> 1. A public notice published in the following 5 newspapers of general circulation in the Commonwealth, on or before July 21, 2021: <ul style="list-style-type: none"> • <i>Richmond Times-Dispatch</i> (Richmond and surrounding areas) • <i>The Virginian-Pilot</i> (Hampton Roads area))

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	<p>Pg2 says excess DTI may qualify but later in the programs says housing must cost less than 40% of income. Excessive DTI is typically higher than that if the only debt is housing. I.e. Traditional loan holders can't refinance and are stuck in high interest rates if their DTI (based on housing cost ONLY). Suggest helping those without high other debt just not leaving out those with high housing costs. Also suggest VA Housing offer re-finance, like the old HARP program, to those of us with high DTI based on high cost of living.</p> <p>Pg5-HAF prioritizes government backed loan holders, yet those are not the ones in greatest risk of being lost by the owner. Also, federal programs allowed for low income folks in high income zip codes to re-finance and didn't allow traditional loan owners to do that so regular loan holders are stuck.</p> <p>Pg 21, suggest helping those in previously but who had to come out of it due to the 12 months expiring or their hardship was temporary (they were re-employed) and now may be unemployed again.</p> <p>Pgs 22/23. WAP isn't in 22202.</p> <p>Pg 29. If VA State AMI is 74k, the qualifications outlined in a high income zip code, with a high cost of housing, literally render someone who is at half this income not eligible for help due to more than 40% housing cost of current income.</p> <p>Pg 36-Targeting FHA/VA loans the program helps the same holders that other federal programs allowing them to re-finance did. Please help traditional loan owners who can't re-finance due to high cost of housing/DTI.</p> <p>Pg 37-Special assessments as well for condos please.</p> <p>Pg 38-Re-instatement, only if housing cost is less than 40% income. That's unfortunate</p>	<ul style="list-style-type: none"> • <i>The Roanoke Times</i> (Roanoke and surrounding areas) • <i>Bristol Herald Courier</i> (Southwest Virginia) • <i>The Washington Post</i> (Northern Virginia) <p>2. The draft HAF Plan (English and Spanish versions) were posted to the following 3 web sites on or before July 21, 2021:</p> <ul style="list-style-type: none"> • www.VirginiaMortgageRelief.com (a web site Virginia Housing created for this program) • www.VirginiaHousing.com • www.StayHomeVirginia.com (a web site Virginia Housing controls that provides eviction and foreclosure prevention information) <p>3. An electronic listing of the public hearing was posted to the following web sites for public notice of Virginia governmental meetings, prior to 7/21/21:</p> <ul style="list-style-type: none"> • Virginia Town Hall https://townhall.virginia.gov • Virginia Commonwealth Calendar https://commonwealthcalendar.virginia.gov/ <p>4. The public notice was physically posted to the area designated for public notices at the following locations, prior to 7/21/21:</p> <ul style="list-style-type: none"> • Virginia Housing's headquarters lobby • The Virginia Housing CEO's office • The City of Richmond Circuit Court <p>5. The following entities included information on the public hearing in their organizations' electronic newsletters:</p> <ul style="list-style-type: none"> • The Virginia Mortgage Bankers Association https://vba.informz.net/informzdataservice/onlineversion/ind/bWFpbGluZ2lu

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	<p>as those with higher than 40% DTI can't re-finance, and yet can't afford to move in their community. Also some people may have had temporary hardships so come off forbearance and then now have a hardship again due to COVID.</p> <p>Hopefully Re-instatement with PITI permits people whose housing cost is more than 40% of their income. (My ONLY debt is housing and it's more than 40% of my income.)</p> <p>Pilot program -Why is the pilot first to help VA and FHA loan holders? Unlike holders of traditional loans, government backed mortgages were able to re-finance and save money that way. They aren't the greatest need.</p> <p>pg 42. -If folks with ZERO earnings are the only ones helped, UI pay counts as income, why did the state get money based on the number of us getting UI? Also, in reality this is rewarding people who left the labor market altogether here as UI only pays folks actively seeking work.</p>	<p>c3RhbmNlaWQ9MTAxMjE4NjQmc3Vi c2NyaWJlcmlkPTExMjlyNjcxMTA=</p> <ul style="list-style-type: none"> • The Virginia Housing Alliance https://mailchi.mp/4f33f2336783/vha-july-newsletter?e=c22c7c2e4e <p>6. Virginia Housing e-mailed the notice of public hearing to 240+ industry professionals, local officials and nonprofits on 7/20/21. That list was generated from Housing Forward Virginia's list of HB 854 study (a statewide housing needs assessment ordered by the Virginia General Assembly that is ongoing) participants focusing on homeownership issues. More information on the HB 854 study and Housing Forward Virginia can be found here: https://housingforwardva.org/focused-initiatives/hb854-statewide-housing-study/</p> <p>7. In-depth Input sessions were held with the following groups:</p> <ul style="list-style-type: none"> • Virginia Housing's Homeowner Advisory Group consisting of industry professionals • The Virginia Bankers Association • Agriculture and farmers' stakeholders, including Virginia Farm Bureau, the Black Family Land Trust, Office of Farmland Preservation, Virginia Department of Agriculture and Consumer Services, and the Virginia Secretary of Agriculture and Forestry's staff <p>8. On 8/6/21, Virginia Housing e-mailed information about the HAF Plan to all 200 of the HUD Housing Counselors in the Commonwealth for their input before we finalize the Plan.</p> <p>9. The Virginia Department of Housing and Community Development posted information on the public hearing and link to the VMRP website on their website on the Virginia Rent Relief Program page (https://www.dhcd.virginia.gov/rmrp).</p> <p>10. Information concerning the plan was posted to Virginia 2-1-1.</p>

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		<p>https://211virginia.org/consite/announcements/index.php</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40% housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household’s housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p> <p>The full VMRP will assist homeowners with both federally backed and conventional mortgages.</p> <p>Subsequent hardships after an initial hardship are qualifying events.</p> <p>The Weatherization Assistance Program referenced on pages 22/23 is run by the Virginia Department of Housing and Community Development. Any offering or qualification is governed by that agency.</p> <p>Income qualification for VMRP is determined at the local AMI and does not use the state-level median income.</p> <p>As stated above, the full VMRP will assist homeowners with both federally backed and conventional mortgages.</p> <p>The 40% HTI requirement has been explained above and does not exclude anyone from qualifying for reinstatement assistance.</p> <p>The VMRP Pilot comment was also addressed above, and the Pilot loan type distribution is dictated by loan types contained</p>

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		<p>in the Virginia Housing mortgage servicing portfolio.</p> <p>The zero earnings statement has also been previously addressed.</p>
12	<p>Ma'am,</p> <p>I found your email address on the website for the housing advisory council. As an Arlington first time homeowner (condo) struggling to afford it while receiving disability I would LOVE the chance to work with the correct folks doing this type of advocacy. I believe I have identified a few to my county that are state-wide or federal issues but I'm not sure.</p> <p>Strategy 2, unmet housing needs. I would LOVE to send you some things I sent to my county that maybe statewide.</p> <p>I'm in N. VA and don't quite know where to send my suggestions or provide input. Do I assume correctly the housing commission of Arlington shares information with you or is that not correct?</p>	<p>Thank you for your comments.</p> <p>Virginia Housing is happy to partner with additional community advocates who are willing to assist in amplifying information about the VMRP. You can obtain updated information about the program, including resources you can share with others at VirginiaMortgageRelief.com.</p> <p>If you scroll to the bottom of the page, there is an option to "Get Notified". Fill in the form with your name and email address and new updates will be sent to you directly.</p>
13	<p>I would like to know more about this and who represented N.VA as I have been trying to work with local groups and had no luck. I've also spoken to my county and been given the run around.</p>	<p>Thank you for your comment.</p> <p>Please see the response to comment number 11 above, for a description of all the ways in which the Plan and public hearing have been publicized.</p>
14	<p>I am officially requesting that the Virginia Housing Department allow families like mine to renegotiate a mortgage with a cheaper interest rate. Our home was foreclosed on June 1, 2020 and we scrambled to find private financing but it's more than 12% interest.</p> <p>Please can you help us through this new funding program?</p>	<p>The VMRP is designed to assist homeowners experiencing financial hardship due to COVID-19 that has resulted in mortgage delinquency, forbearance, default, and foreclosure. The program will assist qualified homeowners with federally backed and conventional mortgage types, as well as homeowners with no mortgage who may be delinquent on real estate property taxes, insurance, and homeowner/condominium association fees and associated charges.</p> <p>Mortgage lenders and servicers are currently working with homeowners to refinance home loans. Refinancing options may be sought through those providers.</p>
15	<p>I have three questions:</p>	<p>Thank you for your comments.</p>

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	<p>1. Will you be publishing the income guidelines for this program? Will it be for the AMI in the region where a person lives or will it be the AMI for Virginia? The definitions on page iii are confusing.</p> <p>2. As I understand, the program is targeted to households at 100% of AMI or less. Another subset is the socially disadvantaged groups. If a person is 100% disabled, would they fall into the socially disadvantaged group?</p> <p>3. How will income be calculated? Will the program be annualizing current income or looking at 2020 tax returns or a combination of both? Please explain as I have clients that have been in and out of work and clients who made withdrawals from retirement accounts to pay their mortgage in 2020.</p>	<p>The income guidelines for this program are dictated by Treasury and can be found in the August 2, 2021 guidance at https://home.treasury.gov/system/files/136/HAF-Guidance.pdf. The requirements indicate that HAF proceeds may assist homeowners at or below 150% of AMI. The U.S. Department of Housing and Urban Development publishes AMI limits based on household size for each state annually. You can find the income limits for your household size and local area by visiting https://www.huduser.gov/portal/datasets/haf-il.html.</p> <p>The program is required to expend at least 60% of the total available funding on homeowners at or below 100% of the AMI, this is regardless of socially disadvantaged status. Further, homeowners whose AMI is 100.01% and at or below 150% who also self-identify as socially disadvantaged will be prioritized over homeowners in this same category who do not self-identify as socially disadvantaged. The VMRP will have to report on percentages of homeowners assisted at or below 100% AMI, homeowners assisted between 100.01% AMI up to and including 150% AMI, and percentage of homeowners assisted who are also socially disadvantaged.</p> <p>The program will calculate income using the IRS 1040 definition of annual income. This does not require asset testing.</p> <p>Income documentation must be supplied for the entire household. This means that every household member aged 18 years old or older must report his or her income. If an adult household member has no income, an attestation of zero income will be required. If income documentation is unobtainable, self-attestation may be approved by VRMP on a limited, case-by-case basis, through a waiver process.</p> <p>The application for assistance will ask if the homeowner or an adult household member has had income that has changed, and such change is not reflected in the most recent tax filing. If the applicant answers “yes” to this</p>

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		question, then the most recent three months of income documentation will be used to assess income.
16	<p>As I have signed up to speak I may not be able to do to work but have some concerns.</p> <p>I brought my first home, on my own as a single parent. The excitement was beyond believable, that yes I did it. To have covid hit and my job that placed in furlough hit me hard! As I am in retail work environment. As many other place Retail companies took some very hard hits. I returned to work with a pay cut, my position eliminated, and lost in hours. Childcare was beyond affordable! So like many others I did a a forbearance plan! When this really did not help homeowner in the long term but put us in a financial bind in the long run but yet funding was giving out to renters? Who landlord where able to pay there mortgages on rental properties! SO WHERE IS THE HELP FOR PEOPLE LIKE ME WHO DID EVERYTHING RIGHT!</p> <p>My concern I have a [REDACTED] loan, not HUD or any other governments loans so help out allllllll loan companies!</p> <p>Make it a requirement that you must have returned back to work to qualify for help!</p> <p>Only help home owners personal HOMES! and not there rental properties as properties have already gotten funding from there renters to help pay there mortgages!</p> <p>HOW CAN THIS BE DONE BY SEPTEMBER! And not fail like UNEMPLOYMENT has!</p> <p>Thank you very much</p>	<p>Thank you for your comments.</p> <p>A recording of the meeting will be made available at VirginiaMortgageRelief.com.</p> <p>The full VMRP will assist homeowners with both federally backed and conventional mortgages. It is not limited to HUD loans.</p> <p>Qualification for VMRP assistance is income driven, per Treasury guidance. You can view the August 2, 2021 guidance at https://home.treasury.gov/system/files/136/HAF-Guidance.pdf. There are no employment requirements for VMRP and there is currently no intention to impose such requirements.</p> <p>The VMRP will only provide assistance to a homeowner with respect to qualified expenses related to the dwelling that is such homeowner’s primary residence. Second homes and rental properties are not eligible under VMRP.</p> <p>Homeowners currently in a forbearance plan are eligible for the program. Homeowners that have been through a forbearance plan and the loss mitigation process are not eligible unless there has been a subsequent qualifying hardship. At this time, the program will not pay off HUD partial claims.</p>
17	<p>I'm very concerned about the draft I just read. So you'll only help if housing payment is 40% or less of income, but not if more? Their rationale doesn't make sense to me when I think of many Arlingtonians especially considering it's one of the most expensive zip codes in the country. What</p>	<p>Thank you for your comments.</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40%</p>

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	<p>am I missing? What happens to those unemployed because of pandemic...where there's zero income? They'd need assistance for sure. This wouldn't help them I take it. That needs to be revised for sure. I think they need to separate people's plights into different categories and have an appeal process also. E.g. underemployed, unemployed, low-income, no income.</p> <p>For the record, I'm a [REDACTED] year old educated with a Master's degree and an unemployed Arlingtonian resident. I've been on 200 interviews and my hope is dwindling. Unemployment was 7 months late to provide me my first payment just a few weeks ago and cannot speak to a human or get assistance at an office because everything is closed to advise I didn't receive any back pay payments, just a current payment. I'm owed 9k in unemployment payments to bring me current. I exhausted my savings for the most part and now on public assistance. When will I get help with rent, utilities and food?</p> <p>When will I get job assistance? It seems that there are resources but everyone I speak to say they can't help or escalate or have any authority. It's an endless and vicious circle. Are you waiting for your good citizens to be homeless or lose what we worked so hard for because we can't get temporary assistance? We pay taxes, we worked 2-3 jobs to no avail.</p> <p>Now we need these funds and it's impossible to qualify or get heard. In one month I will have nothing in my bank accounts and I need help. I have no family or friends here thanks to the pandemic. Now I lost my 2 jobs. And still cannot get relief, support or answers to my questions. I am becoming destitute and there's money for assistance we can't access.</p> <p>Your draft needs major work. How dare you make these decisions when most of us are scraping by and making it more difficult than it has to be. Shame on you. Who will call me</p>	<p>housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household's housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p> <p>For income calculation purposes, the program must assess the total income of all adult household members. In the event a household member has no income, that household member's zero income status will need to be reported. Households with household members that have zero income would not be an impediment to income qualification for the program.</p> <p>The VMRP is funded through the Treasury Homeowner Assistance Fund which requires all funds to be expended on eligible homeownership expenses. Rental payments are not eligible under HAF or the VMRP, but rental assistance may be available through the Virginia Rent Relief Program. Additional information on rental assistance can be found at https://www.dhcd.virginia.gov/rmrp.</p> <p>Due to the great need demonstrated across Virginia for mortgage reinstatement assistance and the limited funding available, VMRP has been designed primarily as a mortgage reinstatement program. Utility assistance is available through numerous other programs, as identified in the Draft VMRP HAF plan.</p> <p>Assistance with meeting food related needs may be available through the Virginia Department of Social Services. Information about food assistance can be found at https://www.dss.virginia.gov/benefit/food.cgi. Further many local governments provide food security support services. Another option for food support is the Federation of Virginia Food Banks. More information on food bank</p>

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	<p>to provide me a resource I can work with for rental/mortgage assistance?</p> <p>Please do a better job at sharing the public information when you're holding conferences. I think you purposely limit the information to keep the number of attendees and comments to a minimum.</p> <p>I'd suggest selecting citizens such as myself to be part of a committee to review your final draft for consideration and commentary. It should be decided solely by government because it's obvious you're not feeling out pain.</p>	<p>assistance can be found at https://vafoodbanks.org/find-assistance/.</p> <p>Job support can be found through the Virginia Employment Commission's Virginia Workforce Connection online resource at https://www.vawc.virginia.gov/vosnet/Default.aspx.</p> <p>Virginia Housing has concluded its Needs Assessment and Plan development activities, including the public comment period. Virginia Housing immediately began to assess public comments and revise the VMRP Draft Plan in preparation for submission to Treasury for approval.</p> <p>Treasury opened the portal required to submit HAF Plans on Friday, August 6, 2021. Virginia Housing intends to finalize the plan, incorporating public comments, and submit for Treasury review no later than August 20, 2021. Upon treasury approval of the plan, the full VMRP will be launched statewide.</p> <p>The VMRP launched its pilot program July 27, 2021, and that is being rolled out to the homeowners, prioritized consistent with Treasury guidance, in the Virginia Housing loan servicing portfolio.</p> <p>Please see the response to comment number 11 above, for a description of all the ways in which the Plan and public hearing have been publicized.</p> <p>When the program is launched, there will be information at www.virginiamortgagerelief.com regarding a call center that can assist with VMRP applications.</p>
18	<p>Yes, I would like to participate in the public hearing related to the MAF administered for the state of Virginia.</p> <p>Please note per section 3206(4)(A), a property type is eligible under the same if it is:</p>	<p>Thank you for your comments.</p> <p>Under the American Rescue Plan and Treasury guidance, HAF funds may be expended on qualified one-to-four-unit dwellings. The VMRP has been designed specifically for one-unit dwellings as two-, three- and four-unit dwellings typically include rental properties for which rental payment assistance is available under the Virginia Rent</p>

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	<p>“a 1- to 4-unit dwelling, or (ii) residential real property that includes a 1- to 4-unit dwelling” , yet your draft plan clearly excludes 2-unit, 3-unit, and 4-unit homes. This exclusion is significant as the conforming loan limits for these latter types of homes are higher than for a single-unit home.</p> <p>Additionally. Section 3206(4)(B) is ambiguous as to the term "origination", and whether such origination means the very first origination, or all subsequent re-finance originations leading up to the current mortgage being serviced.</p> <p>Lastly, there is a minority provision in the code, please advise if having met the SBA definition of a minority group member is adequate to meet the eligibility criteria under this guidance.</p> <p>Please see below.</p> <p>(1) CONFORMING LOAN LIMIT.–The term “conforming loan limit” means the applicable limitation governing the maximum original principal obligation of a mortgage secured by a single-family residence, a mortgage secured by a 2-family residence, a mortgage secured by a 3-family residence, or a mortgage secured by a 4-family residence, as determined and adjusted annually under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)).</p> <p>(2) DWELLING.–The term “dwelling” means any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more individuals.</p> <p>(3) ELIGIBLE ENTITY.–The term “eligible entity” means– (A) a State; or (B) any entity eligible for payment under subsection (f).</p>	<p>Relief Program. Paying the mortgage for structures when such structures might also have received or may also receive rental assistance on the additional units would be duplicative, resulting in a prohibited payment under the HAF program.</p> <p>The conforming loan limit at time of origination has been included by Treasury as a requirement that neither Virginia Housing nor VMRP has any authority to alter.</p> <p>There is no requirement for any applicant to the VMRP to belong to a minority group. HAF programs, including VMRP, are income driven. Members of socially disadvantaged groups have an opportunity to have prioritized consideration to access for funding over non-socially disadvantaged group members when both individuals have incomes between 100% and up to 150% of the AMI.</p> <p>Treasury has defined Socially Disadvantaged Individuals. This definition was recently updated on August 2, 2021. Please reference the answer to question 9 for copy of the new definition or visit https://home.treasury.gov/system/files/136/HAF-Guidance.pdf to obtain a copy of the guidance.</p>

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	<p>(4) MORTGAGE.–The term “mortgage” means any credit transaction–</p> <p>(A) that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower that is (i) a 1- to 4-unit dwelling, or (ii) residential real property that includes a 1- to 4-unit dwelling; and (B) the unpaid principal balance of which was, at the time of origination, not more than the conforming loan limit.</p> <p>Eligible Property Types means a dwelling owned and occupied as the primary residence of the homeowner that is a single unit home, condominium, or mobile/manufacture home. Second homes and other property types are not currently Eligible Property Types.</p>	
19	Need help	Thank you for your comment. It is acknowledged.
20	I have decided not to make a comment. I may provide a written comment NLT 06 AUG 5pm.	Thank you for your participation.
21	<p>I am a homeowner that is behind and any time I have gone for financial relief I am not permitted because I was in a forbearance. The forbearance was my only option at the beginning that I knew about and well it at least kept me from what I thought would be a foreclosure. I am still facing foreclosure. With my kids home and my husband out of work the cost of everyone being home with groceries, electric bill and such. I kept falling behind. I don't think you should be disqualified if you are in forbearance because a lot of us won't be able to come up with that total amount at the end of it. I think maybe there should be a cap on the amount received maybe per household. At this point I'd be happy with enough relief to get me out of the foreclosure area so that I can stop worrying me and my family will be homeless. I have had my house for almost six years. I worked hard to get it.</p>	<p>Homeowners in forbearance are eligible to participate in the VMRP.</p> <p>The maximum assistance available to any household under VMRP is \$30,000 or 20 months of assistance, whichever occurs first.</p>
22	Today, Thursday, August 5, 2021 a public hearing was conducted with regards to the American Rescue Plan's Mortgage Assistance Fund, and VHAs draft proposal	Thank you for your comments.

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	<p>regarding the same. During this meeting, I made comments with respects to the draft's proposal, a summary of which appears below.</p> <p>Please let me now VHA's position on implementing the appropriate provisions of section 3201 of the ARP as it relates to the MAF.</p> <p>Please see below:</p> <p>Please note per section 3206(4)(A), a property type is eligible under the same if it is:</p> <p>"a 1- to 4-unit dwelling, or (ii) residential real property that includes a 1- to 4-unit dwelling" yet your draft plan clearly excludes 2-unit, 3-unit, and 4-unit homes.</p> <p>This exclusion is significant as the conforming loan limits for these latter types of homes are higher than for a single-unit home.</p> <p>Additionally, Section 3206(4)(B) is ambiguous as to the term "origination", and whether such origination means the very first origination or all subsequent re-finance originations leading up to the current mortgage being serviced.</p> <p>Lastly, there is a minority provision in the code, please advise if having met the SBA definition of a minority group member is adequate to meet the eligibility criteria under this guidance.</p> <p>Please see below.</p> <p>(1) CONFORMING LOAN LIMIT –The term "conforming loan limit" means the applicable limitation governing the maximum original principal obligation of a mortgage secured by a single-family residence, a mortgage secured by a two-family residence, a mortgage secured by a three-family residence, or a mortgage secured by a four-family residence, as determined and adjusted annually under section 302(b)(2) of</p>	<p>Under the American Rescue Plan and Treasury guidance, HAF funds may be expended on qualified one-to-four-unit dwellings. The VMRP has been designed specifically for one-unit dwellings as two-, three- and four-unit dwellings typically include rental properties for which rental payment assistance is available under the Virginia Rent Relief Program. Paying the mortgage for structures when such structures might also have received or may also receive rental assistance on the additional units would be duplicative, resulting in a prohibited payment under the HAF program.</p> <p>The conforming loan limit at time of origination has been included by Treasury as a requirement that neither Virginia Housing nor VMRP has any authority to alter.</p> <p>There is no requirement for any applicant to the VMRP to belong to a minority group. HAF programs, including VMRP, are income driven. Members of socially disadvantaged groups have an opportunity to have prioritized consideration to access for funding over non-socially disadvantaged group members when both individuals have incomes between 100% and up to 150% of the AMI.</p> <p>Treasury has defined Socially Disadvantaged Individuals. This definition was recently updated on August 2, 2021. Please reference the answer to question 9 for copy of the new definition or visit https://home.treasury.gov/system/files/136/HAF-Guidance.pdf to obtain a copy of the guidance.</p>

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	<p>the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)).</p> <p>(2) DWELLING –The term “dwelling means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more individuals.</p> <p>(3) ELIGIBLE ENTITY—The term “eligible entity” means—(A) a State; or (B) any entity eligible for payment under subsection (f).</p> <p>(4) MORTGAGE—The term “mortgage” means any credit transaction-- (A) that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower that is (i) a one- to four-unit dwelling, or (ii) a residential real property that includes a one- to four-unit dwelling; and (B) the unpaid principal balance of which was, at the time of origination, not more than the conforming loan limit.</p> <p>Please section iv of your proposed plan.</p> <p>[Included screenshot of electronic version of page from section iv of published draft plan].</p>	
23	<p>[Verbal comment transcribed from public hearing]</p> <p>Section 3206 paragraph 4 A-property type eligible is four-unit dwelling, confirming loan limits is significant because conforming loan limits is different for those units. This is inconsistent to what the ARPA section that cited reads that makes eligible confirming loan limits subject of a mortgage secured by one family residence or three family, duplex are eligible under ARPA but draft plan does not cover other types. Code is ambiguous to what means to have origination according to paragraph B under 3206 originations mean point when got mortgage or mortgage that resulted in refinancing and up to current mortgage? Which mortgage or unpaid principle balance does it apply to? Minority</p>	<p>Thank you for your comments.</p> <p>Under the American Rescue Plan and Treasury guidance, HAF funds may be expended on qualified one-to-four-unit dwellings. The VMRP has been designed specifically for one-unit dwellings as two-, three- and four-unit dwellings typically include rental properties for which rental payment assistance is available under the Virginia Rent Relief Program. Paying the mortgage for structures when such structures might also have received or may also receive rental assistance on the additional units would be duplicative, resulting in a prohibited payment under the HAF program.</p> <p>The conforming loan limit at time of origination has been included as a requirement that</p>

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	<p>provision, if are minority group, does that qualify for additional relief or alt. relief if not eligible for other reason, such as the eligible property type. Family type homes is excluded form draft, are other family types going to be included?</p>	<p>Virginia Housing nor VMRP has any authority to alter.</p> <p>There is no requirement for any applicant to the VMRP to belong to a minority group. HAF programs, including VMRP, are income driven. Members of socially disadvantaged groups have an opportunity to have prioritized consideration to access for funding over non-socially disadvantaged group members when both individuals have incomes between 100% and up to 150% of the AMI.</p> <p>Treasury has defined Socially Disadvantaged Individuals. This definition was recently updated on August 2, 2021. Please reference the answer to question 9 for copy of the new definition or visit https://home.treasury.gov/system/files/136/HAF-Guidance.pdf to obtain a copy of the guidance.</p>
24	<p>[Verbal comment transcribed from public hearing]</p> <p>What if situation arose that you had a mortgage expire and a small balance on that mortgage and since the server paying the taxes and if legal fees doing to prevent a foreclosure-situation doing process that an expired mortgage and no mortgage on property and balance less than \$5000. Any other assistance given for other processes that person communicating dealing with private area and other servicers? What do with expired mortgage on process and mortgage no longer active?</p>	<p>Thank you for your comment.</p> <p>The VMRP is designed to assist homeowners with and without mortgages. This means that financial assistance is available to qualified homeowners even if they have a mature (i.e., having reached its maturity date) mortgage and are delinquent on other homeownership costs such as real estate property taxes. In this situation, payment would be made on behalf of the eligible homeowner directly to the payee to which the eligible expenses are owed. This may include reasonable legal fees imposed by the payee.</p>
25	<p>[Verbal comment transcribed from public hearing]</p> <p>(Live in Arlington, zip code 22202) overall comments and local sources to site. Livability 22202 average house cost is \$2600 to \$3600 a month, I am now among low income owners who purchased in high income area. The neediest people for assistance are low income individuals in low income communities, but worried low</p>	<p>Thank you for your comments.</p> <p>Qualification for this program is primarily income based. This means that the income of the borrower household is considered and is compared against the HUD income limits for the area in which the household resides. Therefore, a low-income individual in a high-income community has an equal opportunity to qualify for the program as a household located in a low-income community.</p>

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	<p>income people in high income communities have nowhere to go and are also at risk.</p> <p>The housing groups in community where live, not one, knew this was hearing was taking place.</p> <p>Those in my situation who previously applied to CARES Act were left out of previous aid program shared issues with county housing commission. Low income in high income community face many challenges.</p> <p>Condos are available in program? One program for single homeowners not condo owners?</p> <p>Encourage group to look at special assessments as eligible expense under the program.</p> <p>Sub-categories are not to displace people and especially with building collapse in Florida, we want to make sure buildings are safe but low income owner can't afford the necessary inspections. Similar to that situation, now Arlington is inspecting all buildings and condo associations are implementing special assessments to pay for certain repairs. I can't afford my assessment.</p> <p>I was in forbearance for twelve months and had to reinstate mortgage, county couldn't help because of assets and needed to sell some to pay mortgage. Zero percent are in forbearance and 3 to 4 percent are unemployed in Arlington. Anyone low income in area, there are gaps in information, all of northern VA is left out-low income according to HUD standards. Prioritizing VA FHA and VA loans, deferral programs earlier were able to help those, VA housing first time home buyers. Federal programs allow low income in high income zip codes have government back loans to refinance, way state help long term of displacement of low income look into refinancing rather than short term subsidizing-not to displace people. Reinstatement housing expenses be less</p>	<p>Virginia Housing took numerous steps to provide notice of the August 5, 2021, public hearing and the draft HAF Plan and to solicit public comment from the public and community groups. Please see the response to public comment number 11 for more details on this.</p> <p>The VMRP will serve homeowners in a number of eligible structure types. Condominiums are one of the eligible structure types under the VMRP.</p> <p>The plan has been revised to account for special assessments for condominium owners as an eligible expense type.</p> <p>The VMRP is primarily a mortgage reinstatement program. Neither Virginia Housing nor the VMRP have authority over lenders regarding their refinance options or qualification requirements.</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40% housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household's housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p> <p>The eligible expenses that a state agency receiving HAF proceeds can undertake are enumerated in the Treasury Guidance dated August 2, 2021. It can be found at https://home.treasury.gov/system/files/136/HAF-Guidance.pdf. Incentivizing lenders to refinance existing loans is not an eligible expense.</p>

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	<p>than 40 percent leaves out everyone in zip code. PIIC isn't the same. Low income and encouraged to go into forbearance, CARE Act funds lapsed and had to wait to receive housing assistance funds, gap and people like me can't get help. Brought concern to elected officials as well.</p>	<p>The full VMRP will assist homeowners with both federally backed and conventional mortgages.</p> <p>The full VMRP will be available to Virginia residents regardless of the ZIP Code in which they live. The identification of target ZIP Codes with the highest delinquency, forbearance, and foreclosure rates coupled with ZIP Code demographic characteristics was performed to identify those areas in which targeted messaging will be used.</p> <p>Homeowners currently in a forbearance plan are eligible for the program. Homeowners that have been through a forbearance plan and the loss mitigation process are not eligible unless there has been a subsequent qualifying hardship. At this time, the program will not pay off HUD partial claims.</p> <p>The program will calculate income using the IRS 1040 definition of annual income. This does not require asset testing.</p>
26	<p>[Verbal comment transcribed from public hearing]</p> <p>Am a businessman in VA. I am concerned with streamlining process of program to ensure people get help in a timely manner. All of the help that I've applied for, I'm seeing that the process is jammed because of amount of people who need help. System will work but concern with rolling out process for papers, is it all electronic? Right now, even as far as getting help, am stuck in bureaucratic bubble-uncertain of timing of when things come through or how am going to get help needed when times hard. Fear will get stuck in red tape format because seeing right now a lot of people in communities going through same hardship. People need help now. This program needs to be streamlined and easy enough to obtain help.</p>	<p>Thank you for your comment.</p> <p>Once the full VMRP is launched, homeowners across Virginia seeking assistance through the VMRP will submit electronic applications via VirginiaMortgageRelief.com. The link to begin the pre-screening and application process on the VMRP website will only be published once the VMRP Pilot has concluded.</p> <p>The pre-screening and application system is a self-service portal that allows homeowners to register for the program, complete screening and application information, and submit supporting documentation. Applicant status updates are also available through the self-service portal.</p> <p>Homeowners who are unable to access the online applicant portal or who require assistance in completing the online application may obtain support through the VMRP Call Center. The VMRP Call Center number will be published via revision to these</p>

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		<p>policies and procedures, once the VMRP Pilot has concluded. Additionally, in-person assistance is available by appointment at the VMRP Assistance Center which will be opened to support the full VMRP. Details on location of the VMRP Assistance Center will be available when it is opened and will be included on VirginiaMortgageRelief.com.</p> <p>Hours of operation for the VMRP Call Center are anticipated to be 8 am to 8 pm Monday through Friday. Hours of operation for the VMRP Assistance Center are anticipated to be 8 am to 5 pm Monday through Friday. Hours of operation may be increased or decreased depending upon demand for services. Any alteration to service hours will be published on VirginiaMortgageRelief.com.</p> <p>Virginia Housing has concluded its Needs Assessment and Plan development activities, including the public comment period. Virginia Housing immediately began to assess public comments and revise the VMRP Draft Plan in preparation for submission to Treasury for approval.</p> <p>Treasury opened the portal required to submit HAF Plans on Friday, August 6, 2021. Virginia Housing intends to finalize the plan and submit for Treasury review no later than August 15, 2021. Upon treasury approval of the plan, the full VMRP will be launched statewide.</p> <p>The VMRP launched its pilot program July 27, 2021.</p>
27	<p>[Verbal comment transcribed from public hearing]</p> <p>One of challenges I see is that if you have had a roommate or tenant in house or property, no they are no longer there helping to pay the mortgage, even if it is not income from paycheck is still income used for mortgage payment. Income receiving from roommate/tenant no longer available due to COVID, which is a third of my mortgage payment. For nontraditional sources of income not receiving paycheck or W2, is</p>	<p>Thank you for your comment.</p> <p>To be eligible, an applicant must have had a qualifying financial hardship. This can be a loss of income or an increase in expenses.</p> <p>In determining eligibility under the income limits prescribed by Treasury, the program will calculate income using the IRS 1040 definition of annual income. This does not require asset testing.</p>

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	<p>there way to provide for that loss of income if struggle to adjust to new budget? Where would that fall under? How do you demonstrate that or document the loss of rental income as a owner in the process? People doing things on side to generate income, maybe don't have traditional paycheck as well. How would you document rental income? Is that included as part of income or loss in regard to mortgage payment? Is it considered as part of program?</p>	<p>Income documentation must be supplied for the entire household. This means that every household member aged 18 years old or older must report his or her income. If an adult household member has no income, an attestation of zero income will be required. If income documentation is unobtainable, self-attestation may be approved by VRMP on a limited, case-by-case basis, through a waiver process.</p> <p>The application for assistance will ask if the homeowner or an adult household member has had income that has changed and such change is not reflected in the most recent tax filing. If the applicant answers "yes" to this question, then the most recent three months of income documentation will be used to assess income.</p>
28	<p>[Verbal comment transcribed from public hearing]</p> <p>I am with Shell Point mortgage servicing. Interested is assistance will also include forward pay possibly? So reinstatement as well as forward pay assistance. Do homeowners need to reapply every three months? On rental programs people qualify for a year or so, but still have to re-apply with current information every so many months. Are there any other assistance options that would be offered, how anticipate or programs consider other than reinstatement or forward pay assistance?</p>	<p>Thank you for your comments.</p> <p>The VMRP is a reinstatement program intended to assist homeowners with bringing mortgage arrearages and other associated delinquent homeownership costs current. The program does not have any debt-to-income ratio requirements for qualification. The 40% housing expense to income (HTI) ratio referenced only determines which program option a homeowner may be eligible to receive—mortgage reinstatement alone or mortgage reinstatement plus future mortgage payments. The VMRP will assist with current and future mortgage payments if a household's housing expense to income ratio is greater than 40%. This 40% requirement only applies for qualification of forward mortgage payments and is not applicable to the reinstatement only option.</p> <p>In the latter option (reinstatement plus future payment) the homeowner will have to recertify income every 90 days to continue assistance.</p> <p>VMRP is subject to a cap on assistance to any applicant of the lesser of \$30,000 or 20 months, as well.</p> <p>The VMRP is designed to assist homeowners experiencing financial hardship due to</p>

Department of Treasury Homeowner Assistance Fund Needs Assessment
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No.	Comment	Response
		COVID-19 that has resulted in mortgage delinquency, forbearance, default, and foreclosure. The program will assist qualified homeowners with federally backed and conventional mortgage types, as well as homeowners with mature mortgages who may be delinquent on real estate property taxes, insurance, and homeowner/condominium association fees and associated charges.

Appendix B: Promotion of Public Meeting

The following public notice was provided to inform the public of the open public meeting held in reference to the Virginia Mortgage Relief Program Needs Assessment and Draft Plan.

NOTICE OF PUBLIC HEARING HOMEOWNER ASSISTANCE FUND

Pursuant to the American Rescue Plan Act of 2021, the Commonwealth of Virginia has been awarded approximately \$258 million of homeowner assistance funds (HAF) from the U.S. Department of the Treasury (Treasury). The HAF was established to mitigate financial hardships associated with the coronavirus pandemic by providing funds for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

Virginia Housing Development Authority (“Virginia Housing”) will administer the HAF funds in Virginia through a Virginia Mortgage Relief Program (VMRP).

Notice is hereby given that on August 5, 2021, at 10:00 AM, Eastern time, Virginia Housing will conduct a virtual hearing to receive comments from the general public on the VMRP, including its assessment of homeowner needs, a draft HAF Plan to be submitted to Treasury and the draft eligibility criteria for the VMRP. In addition, persons will have an opportunity to make brief statements on the VMRP. Written comments may also be submitted prior to or during the virtual hearing to: comments@virginiamortgagerelief.com or to the Legal Division, Virginia Housing, 601 South Belvidere Street, Richmond, Virginia 23220. Written comments will be accepted through 5:00 PM Eastern time on August 6, 2021.

Additional information on the VMRP, including the draft HAF Plan, how to attend the virtual hearing and, if desired, how to speak at the virtual hearing is available at: www.virginiamortgagerelief.com.

To join this virtual hearing, please complete the following online registration link: <http://bit.do/VirginiaHAF>

Please note that supported web browsers for registration and joining the public meeting webinar include Google Chrome, Firefox, Microsoft Edge, and Safari.

Anyone wishing to be heard during this virtual hearing must notify Virginia Housing, in writing, at least 24 hours prior to the virtual hearing. Please note that the registration link will request your phone number if you plan to speak at the hearing and will be participating by telephone.

This project is being supported, in whole or in part, by federal award number HAF-0003 awarded to Virginia Housing by the U.S. Department of the Treasury.

Department of Treasury Homeowner Assistance Fund Needs Assessment
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**Virginia Homeowner Assistance Fund
Summary of Public Notice**

The following is a summary of the steps Virginia Housing took to provide notice of the August 5, 2021, public hearing and the draft HAF Plan and to solicit public comment:

1. A public notice published in the following 5 newspapers of general circulation in the Commonwealth, on or before July 21, 2021:
 - a) *Richmond Times-Dispatch* (Richmond and surrounding areas)
 - b) *The Virginian-Pilot* (Hampton Roads area)
 - c) *The Roanoke Times* (Roanoke and surrounding areas)
 - d) *Bristol Herald Courier* (Southwest Virginia)
 - e) *The Washington Post* (Northern Virginia)
2. The draft HAF Plan (English and Spanish versions) were posted to the following 3 web sites on or before July 21, 2021:
 - a) www.VirginiaMortgageRelief.com (a web site Virginia Housing created for this program)
 - b) www.VirginiaHousing.com
 - c) www.StayHomeVirginia.com (a web site Virginia Housing controls that provides eviction and foreclosure prevention information)
3. An electronic listing of the public hearing was posted to the following web sites for public notice of Virginia governmental meetings, prior to 7/21/21:
 - a) Virginia Town Hall <https://townhall.virginia.gov>
 - b) Virginia Commonwealth Calendar <https://commonwealthcalendar.virginia.gov/>
4. The public notice was physically posted to the area designated for public notices at the following locations, prior to 7/21/21:
 - a) Virginia Housing's headquarters lobby
 - b) The Virginia Housing CEO's office
 - c) The City of Richmond Circuit Court
5. The following entities included information on the public hearing in their organizations' electronic newsletters:
 - a) The Virginia Mortgage Bankers Association
<https://vba.informz.net/informzdataservice/onlineversion/ind/bWFpbGluZ2luc3RhbmNlaWQ9MTAxMjE4NjQmc3Vic2NyaWJlcmkPTExMjlyNjcxMTA=>
 - b) The Virginia Housing Alliance <https://mailchi.mp/4f33f2336783/vha-july-newsletter?e=c22c7c2e4e>
6. Virginia Housing e-mailed the notice of public hearing to 240+ industry professionals, local officials and nonprofits on 7/20/21. That list was generated from Housing Forward Virginia's list of HB 854 study (a statewide housing needs assessment ordered by the Virginia General Assembly that is ongoing) participants focusing on homeownership issues. More information on the HB 854 study and Housing Forward Virginia can be found here: <https://housingforwardva.org/focused-initiatives/hb854-statewide-housing-study/>

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7. In-depth Input sessions were held with the following groups:
 - a) Virginia Housing's Homeowner Advisory Group consisting of industry professionals
 - b) The Virginia Bankers Association
 - c) Agriculture and farmers' stakeholders, including Virginia Farm Bureau, the Black Family Land Trust, Office of Farmland Preservation, Virginia Department of Agriculture and Consumer Services, and the Virginia Secretary of Agriculture and Forestry's staff
8. On 8/6/21, Virginia Housing e-mailed information about the HAF Plan to all 200 of the HUD Housing Counselors in the Commonwealth for their input before we finalize the Plan.
9. The Virginia Department of Housing and Community Development posted information on the public hearing and link to the VMRP website on their website on the Virginia Rent Relief Program page (<https://www.dhcd.virginia.gov/rmrp>).
10. Information concerning the plan was posted to Virginia 2-1-1. <https://211virginia.org/consite/announcements/index.php>

Appendix C: Treasury HAF Plan Template



United States Department of the Treasury Homeowner Assistance Fund Plan

Introduction and Purpose

Welcome to the U.S. Treasury Department's submission portal for the Homeowner Assistance Fund (HAF) Plan. In the HAF, an eligible entity (the "Participant") is (1) a state, the District of Columbia, or U.S. territory; (2) the Department of Hawaiian Home Lands; (3) each Indian tribe (or, if applicable, the tribally designated housing entity of an Indian tribe) that was eligible for a grant under Title I of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.) for fiscal year 2020; and (4) any Indian tribe that opted out of receiving a grant allocation under the Native American Housing Block Grants program formula in fiscal year 2020.

A HAF Participant must submit its HAF Plan using this portal if it has been allocated \$5 million or more in the HAF. **If a HAF Participant has been allocated less than \$5 million, it should not use this form; a different form has been made available for smaller allocations.**

In the fields below, you will submit your HAF Plan, organized around the following plan elements:

- Homeowner Needs and Community Engagement
- Program Design
- Performance Goals
- Readiness
- Budget

After completing the form, please click on the DocuSign button to sign and submit the HAF Plan.

Once the HAF Plan is submitted, Treasury will review the plan. Treasury may approve a HAF Plan in whole or in part. If Treasury identifies weaknesses in any elements of your HAF Plan, the Participant will be provided an opportunity to revise and resubmit those elements. Upon Treasury's approval of the HAF Plan, Treasury will initiate steps to transmit the requested allocation amount. Treasury will evaluate HAF Plans as described in the HAF guidance, available at <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>. Please refer to the HAF guidance for definitions of terms used in this portal and additional information regarding the HAF.

Homeowner Needs and Community Engagement

What Quantitative Data Has Informed the Participant's Planning?

Treasury will assess the extent to which a Participant has, in the course of its HAF planning process, relied on quantitative data, including from community-based organizations or organizations that serve potentially eligible homeowners.

In its HAF planning process, has the Participant obtained quantitative data from mortgage servicers, private data providers, government entities, community-based organizations or other sources to inform its planning about how to target and best serve eligible homeowners with mortgage delinquencies, defaults, foreclosures?

Yes

No

If yes, please list and briefly describe each source of quantitative data.

ID	Name	Source	Aggregati on Level	Date	Description	Website
1	Demographic Data	Census ACS	Zip Code	2015-2019	Homeowner counts, race/ethnicity and age data (to determine socially disadvantaged status), median income data	https://www2.census.gov/geo/tiger/TIGER_DP/2019ACS/
2	CHAS Data	HUD	Locality; county	2013-2017	Area Median Income housing data	https://www.huduser.gov/portal/datasets/cp.html
3	Loan Level Market Analytics Servicing Data for Virginia	CoreLogic	Zip Code	Relatively real-time	Loan origination, loan performance, and forbearance	Bulk download to VH Contractor
4	Custom LLMA Analytics Report for Virginia	CoreLogic	Zip Code	Relatively real-time	Supplemental loan analytics including property information, loan disposition, refinance indicators, other	Bulk download to VH Contractor
5	Open Liens Data for Virginia	CoreLogic	Address-Level	Relatively real-time	Open liens on properties, tax information, mortgage position details	Bulk download to VH Contractor
6	Demographic Info from Location Inc for Virginia	CoreLogic	Zip Code	Relatively real-time	Aggregated demographics for Virginia homeowner population	Bulk download to VH Contractor

ID	Name	Source	Aggregation Level	Date	Description	Website
7	SVI	CDC	County, census tract	2018	Social vulnerability data	https://www.atsdr.cdc.gov/placeandhealth/svi/data_documentation_download.html
8	SoVI	University of South Carolina	County	2010-2014	Social vulnerability data	http://artsandsciences.sc.edu/geog/hvri/sovi%C2%AE-0
9	Community Resilience Estimates	Census Bureau	County	2018 (2019 available end of June)	Social vulnerability/resilience data	https://experience.arcgis.com/experience/b0341fa9b237456c9a9f1758c15cde8d/
10	Unemployment Numbers	Bureau of Labor Statics	Locality	April 2021	Unemployment figures	https://www.bls.gov/lau/tables.htm
11	Virginia Unemployment Numbers	Virginia Employment Commission	Locality	April 2021	Unemployment figures	https://www.vec.virginia.gov/latest-release-local
12	Consumer Financial Protection Bureau	CFPB	County, metro and non-metro areas (not all available)	September 2020	Mortgage delinquency data	https://www.consumerfinance.gov/data-research/mortgage-performance-trends/download-the-data/
13	Home Values	Virginia Realtors	County	May 2021	Home value data	https://virginiarealtors.org/research/data/
14	Manufactured Homes	VA DOT	Locality	Current	Question as to whether these are eligible	Provided by email
15	U.S. Treasury Department Data	U.S. Treasury			Data on FHA, VA and USDA loans to be provided to State of Virginia	
16	Other State of Virginia Data				Including data on loans serviced by state agencies	https://www2.census.gov/geo/tiger/TIGER_DP/2019ACS/

ID	Name	Source	Aggregati on Level	Date	Description	Website
17	Virginia Housing Mortgage Loan Portfolio	Virginia Housing	ZIP Code	Current	Data on FHA, VA, and USDA loans	Provided by email

In its HAF planning process, has the Participant obtained quantitative data from utility providers or entities charged with assessing and collecting property taxes or relied on quantitative data or studies to inform its planning about how to target and best serve eligible homeowners at risk of displacement due to utility arrearage or tax foreclosure?

- Yes
 No

If yes, please list and briefly describe each source of this type of quantitative data.

- *N/A. Real estate property tax is collected at the local level with no aggregation across the State. Delinquent real estate property taxes and personal property taxes (for unaffixed mobile homes) is a threat to continued homeownership and the VMRP has been designed to assist with delinquent property taxes.*
- *There are numerous programs across Virginia that assist with utilities. Considering the wide availability of such programs the VMRP will not provide assistance for utilities. This will maximize the HAF funding for mortgage reinstatement and associated homeownership costs.*

In its HAF planning process, has the Participant obtained and reviewed quantitative data or studies regarding which demographic segments in its jurisdiction have historically experienced discrimination in the housing or housing finance market?

- Yes
 No

If yes, list and briefly describe each study or source of quantitative data.

- Dragas Center for Economic Analysis and Policy, Strome College of Business, Old Dominion University: *2020 State of the Commonwealth*, December 2020. Annual report documents quantitative data on experience and impacts of economy in Virginia, analyzing disparate impacts on minority populations.
- Neal, M., Young, C. (2020), *Delinquent Homeowners in Neighborhoods of Color are less Likely to be Protected by Forbearance*, Urban Institute. Researchers analyzed credit bureau data and ACS data to determine delinquency rates and forbearance uptake among racial groups.
- National Fair Housing Alliance, 2021 *Fair Housing Trends Report*. This report provides an annual snapshot of fair housing enforcement activities across the nation.
- Young, C. (2018), *50 Years after the Fair Housing Act – Inequality Still Lingers*, Trulia Research Special Reports. Analysis produced in partnership between National Fair Housing Alliance and Trulia, with input from Kirwan Institute for the Study of Race and Ethnicity (Ohio State University). The report analyzes housing disparities including unequal housing opportunities across racial and ethnic groups but was not specific to Virginia.

In the following text box, please list any source not listed above of quantitative information, including sources of data on the performance of any of the Participant's previously

implemented programs, that the Participant used to inform its HAF planning process, briefly describe how the data informed the Participant's planning.

- *N/A. Virginia did not participate in the Hardest Hit Fund program.*

Did the Participant communicate with mortgage servicers regarding the development of its program design?

- Yes
 No

Did the Participant communicate with other HAF participants regarding the development of its program design?

- Yes
 No

How Has Community Engagement and Public Participation Informed the Participant's Planning?

Treasury will assess the extent to which a Participant's assessment of homeowner needs has been informed by and reflects input from organizations and individuals representing eligible homeowners, including any opportunities for public participation in the development of the Participant's plan. Treasury will pay particular attention to the extent of the Participant's engagement with populations that are the subject of statutory targeting requirements.

Has the Participant requested and received input on its HAF planning process from providers of housing counseling services or providers of legal assistance to homeowners facing foreclosure or displacement?

- Yes
 No

If yes, please list such providers, including the providers' address and website. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Provider Name	Provider Address	Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Accomack-Northampton Planning District Commission	23372 Front Street Accomac, Virginia 23301	https://www.a-npdc.org/accomack-northampton-planning-district-commission/	<input type="checkbox"/>	<input type="checkbox"/>
Appalachian Community Action & Development Agency, Inc. (AppCAA)	175 Military Lane, Gate City, VA 24251	https://appcaa.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Blue Ridge Housing Network	134-A Peyton Street – Front Royal, VA 22630	http://blueridgehousingnetwork.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Catholic Charities of Eastern Virginia, Inc.	5361 Virginia Beach Blvd. Virginia Beach, VA 23462	https://cceva.org/services/financial-housing-counseling/	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Central Virginia Housing Coalition	2300 CHARLES STREET, FREDERICKSBURG, VA 22401	https://centralvahousing.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
centro de apoyo Familiar	6231 Leesburg Pike, Suite 410 Falls Church, VA 22044	https://mycaf.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Child & Family Services of Eastern Virginia d/b/a The Up Center	150 W. Boush Street, Ste. 500 Norfolk, VA 23510	https://www.theupcenter.org/	<input type="checkbox"/>	<input type="checkbox"/>
Commonwealth Catholic Charities	1601 Rolling Hills Drive, Richmond, VA 23229	https://www.cccofva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Housing Partners	48 Depot Street NE Christiansburg, VA 24073	https://www.communityhousingpartners.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cornerstones	11150 Sunset Hills Road, Suite 210 Reston, VA 20190	https://www.cornerstonesva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Danville Redevelopment and Housing Authority	35 Jones Crossing Danville VA 24541	https://www.drhava.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
First Home Alliance	3138 Golansky Blvd, Suite 202 Woodbridge, VA 22192	https://firsthomealliance.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hampton Redevelopment Housing Authority	1 Franklin Street Suite 603 Hampton, VA 23669	http://www.hamptonrha.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hampton Roads Community Action Program, Inc.	2410 Wickham Avenue, Newport News, VA 23607	https://hrcapinc.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Helping Overcome Poverty's Existence	680 West Main Street Wytheville, VA 24382	https://www.wythehope.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Housing Opportunities Made Equal of Virginia, Inc. (HOME)	626 East Broad Street, Suite 400 Richmond, VA 23219	https://homeofva.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
James City County	101 Mounts Bay Road Williamsburg, VA 23185	https://www.jamescitycountyva.gov/	<input type="checkbox"/>	<input type="checkbox"/>
Korean Community Service Center of Greater Washington	7700 Little River Turnpike #406, Annandale, VA 22003	http://www.kcscgw.org/	<input type="checkbox"/>	<input type="checkbox"/>
Latino Economic Development Corporation of Washington, DC	2300 9th Street South, Suite 300 B Arlington, VA 22204	https://www.ledcmetro.org/	<input type="checkbox"/>	<input type="checkbox"/>
Lynchburg Community Action	1010 Main St, Lynchburg, VA 24504	https://lyn-cag.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Group, Inc.				
New River Community Action, Inc.	1093 E Main St, Radford, VA 24141	https://newrivercommunityaction.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norfolk Redevelopment & Housing Authority - HomeNet Homeownership Center	555 E Main St, Norfolk, VA 23510	http://www.nrha.us/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Northern Virginia Family Services	10455 White Granite Dr #100, Oakton, VA 22124	https://www.nvfs.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People Incorporated of Virginia	1173 W Main St, Abingdon, VA 24210	https://www.peopleinc.net/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Piedmont Housing Alliance	682 Berkmar Cir, Charlottesville, VA 22901	https://piedmonthousingalliance.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quin Rivers, Inc. dba Thrive Virginia	7911 Courthouse Cir, New Kent, VA 23124	https://thriveva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Skyline Community Action Partnership	532 S Main St, Madison, VA 22727	http://skylinecap.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southeast Rural Community Assistance Project, Inc	347 Campbell Ave SW, Roanoke, VA 24016	http://www.southeastrcap.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southside Community Development & Housing Corporation	1624 Hull St, Richmond, VA 23224	https://www.scdhc.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southside Outreach Group	1425 Seymour Dr, South Boston, VA 24592	https://www.ssorg.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STOP Inc	5700 Thurston Ave STE 101, Virginia Beach, VA 23455	https://www.stopinc.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Suffolk Redevelopment and Housing Authority	530 E Pinner St, Suffolk, VA 23434	https://www.suffolkra.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Telamon Corporation	808 Moorefield Park Drive #106, State Office - Virginia, Richmond, VA 23236	https://www.telamon.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Total Action Against Poverty D/B/A Total Action For Progress	302 2nd St SW, Roanoke, VA 24001	https://tapintohope.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Urban League of Hampton Roads, Inc.	7300 Newport Avenue, Norfolk, VA 23505	https://ulhr.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Virginia Cooperative Extension - Prince William County	8033 Ashton Avenue, Suite 105, Manassas, VA 20109-8202	https://prince-william.ext.vt.edu/	<input type="checkbox"/>	<input type="checkbox"/>
Volunteers of America	7901 Annapolis Road, Lanham, MD 20706	https://www.voachesapeake.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Chesapeake, Incorporated				
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Has the Participant requested and received input regarding its HAF planning process from community-based organizations or organizations that serve potentially eligible homeowners?

- Yes
- No

If yes, please list such organizations, including the providers' address and website if available. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Organization Name	Organization Address	Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Latino Economic Development Corporation of Washington, DC	2300 9th Street South, Suite 300 B Arlington, VA 22204	https://www.ledcmetro.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Virginia Realtors	10231 Telegraph Road, Glen Allen, VA 23059	https://viriniarealtors.org/	<input type="checkbox"/>	<input type="checkbox"/>

Has the Participant consulted with localities or tribal governments (cities, counties, or rural communities) in its jurisdiction regarding the needs of eligible homeowners in its jurisdiction?

- Yes
- No

Has the Participant provided an opportunity for public input regarding its HAF Plan through public hearings or published materials?

- Yes
- No

If yes, please indicate whether a proposed or draft plan was published, please describe where details about the comment solicitation were posted, for how long, in what languages, and whether any efforts were made to make the posting accessible to persons with disabilities or individuals without reliable internet access.

This HAF Plan was informed by a virtual public hearing (phone and video access) held August 5 regarding housing needs and the Virginia Mortgage Relief Program. Draft Plan was published on July 21, 2021, public comments accepted through August 6, 2021- by mail, e-mail, and web submission. Draft plan published in English and Spanish to three websites, and numerous community-based organizations were informed of this publication so that they could inform communities they serve. An ASL interpreter was provided at the public hearing. Public notice was published in 5 newspapers of general circulation along with electronic listing posted to the Virginia Town Hall and Virginia Commonwealth Calendar. It was physically posted to the area designated for public notices at Virginia Housing's headquarters lobby, CEO's office, and The City of Richmond Circuit Court. It was emailed to 240+ industry professionals, local officials, and nonprofits focusing on homeownership issues and the Draft Plan was emailed to all 200 of the HUD Housing Counselors in the Commonwealth. Sessions were held with Virginia Housing's Homeowner Advisory Group, The Virginia Bankers Association, and Agriculture and farmers' stakeholders, including: Virginia Farm Bureau, the Black Family Land Trust, Office of Farmland Preservation, Virginia Department of Agriculture and Consumer Services, and the Virginia Secretary of Agriculture and Forestry's staff. The Virginia Department of Housing and Community Development posted information on the public hearing on their Virginia Rent Relief Program webpage. Information about the plan was posted to Virginia 2-1-1.

How Will the Participant Continue to Assess the Needs of Eligible Homeowners?

Treasury anticipates that an ongoing process of assessing the needs of eligible homeowners will help address the needs of potentially eligible homeowners as economic conditions change over time.

Does the Participant plan to update its assessment of community needs within the next year to determine whether its HAF program design should be updated to address changing needs of potentially eligible homeowners?

Yes

No

What additional data would be helpful to the Participant as it seeks to assess homeowner needs over time?

- None known at this time

Program Design

What are the Program Design Elements Through Which the Participant Will Deliver HAF Assistance to Eligible Homeowners?

A program design element is a specific activity or program, which is consistent with a qualified expense category, under which a Participant will disburse HAF funds in accordance with the HAF Plan. Please note that multiple program design elements may fit under a single qualified expense category; for example, a mortgage assistance program that has different terms for federally backed mortgages and manufactured-home mortgages may constitute two separate program design elements, for which case the Participant provides a separate term sheet or other description for each program design element.

HAF participants must have at least one program design element intended to reduce mortgage delinquency among targeted populations. Treasury encourages HAF participants to consider program design elements that address homeownership preservation for targeted populations in areas where there is a sustained trend of increasing property taxes or utility costs, including for households that do not have mortgages.

Please identify each qualified expense category in which the Participant will offer a program design element by checking the boxes below.

- mortgage payment assistance;
- financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default;
- mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
- facilitating mortgage interest rate reductions;
- payment assistance for homeowner's utilities, including electric, gas, home energy, and water;
- payment assistance for homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b);
- payment assistance for homeowner's insurance, flood insurance, and mortgage insurance;
- payment assistance for homeowner's association fees or liens, condominium association fees, or common charges;
- payment assistance for down payment assistance loans provided by nonprofit or government entities;
- payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;
- measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties.

For each program design element that the Participant will offer, the Participant is required to upload a term sheet or other description that, at a minimum, provides the following information regarding that program design element. Term sheets for all of Participant's HAF programs may be uploaded together as one document.

- **Brief description** – Explain how the funds will be used (e.g., what type of homeowner expense the funds will be used for). If applicable, describe how the funds may be used in combination with other assistance programs (e.g., loan servicer loss-mitigation programs).
- **Maximum amount of assistance per homeowner** - Specify the maximum amount of assistance that each homeowner will be eligible to receive under the program design element.
- **Eligibility criteria and documentation requirements** – Explain all homeowner, mortgage, property, or other eligibility criteria for the program design element (other than the mandatory eligibility requirements set forth in the HAF guidance). In addition, list any documentation that will be required from homeowners to establish such eligibility. Provide a justification for each additional eligibility or documentation requirement beyond those required under the HAF guidance, including an explanation of how the Participant determined that such requirement will not create barriers to participation for eligible households.
- **Form of assistance** – Indicate whether the funds will be provided in the form of grants, forgivable loans, or other assistance. If the funds will be provided through forgivable loans, specify the terms for forgiveness. If the Participant proposes to provide the assistance in a form other than grants or forgivable loans, provide the reasoning for the proposed terms. If the Participant proposes to establish a home repair program, explain all criteria that will be used to determine whether a homeowner is eligible for the program (e.g., contractor licensing, repair contract requirements, zoning).
- **Payment requirements** – Indicate to whom payments will be made (e.g., to homeowners or to a third party) and any additional requirements there may be to complete a payment (e.g., bulk payment requirements for payees, method of

determining amount of payment).

A HAF participant may elect to revise its HAF Plan over time to add or subtract program design elements. Does the Participant anticipate adding additional program design elements to this HAF Plan within one year of this submission?

Yes

No

Treasury has provided sample term sheets to assist HAF participants in developing their HAF plans. Participants may use these sample term sheets, in whole or in part, as part of their submission. To the extent the Participant intends to structure the program differently with respect to significant program terms described in the Sample Term Sheets, Treasury will, in the course of its review of the HAF Plan, request a justification for how the alternate approach will further the objectives of the HAF, including targeting and prioritization requirements. In the chart below, the HAF Participant may provide a justification for significant deviations from the terms described in the sample term sheets upon initial submittal.

(optional for initial submission)

Program Design Element	Deviation from sample terms	Justification
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	Requires bankruptcy court or trustee approval to participate	The requirement is not a bar to participation, but however is required in order for a servicer or other payee to accept payment on the eligible applicant's behalf if the property owner is in bankruptcy.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	Socially disadvantaged individual (SDI) may be any household member and such household can have income up to the 150% AMI limit, as defined in the Treasury guidance.	Unclear from Treasury guidance whether the SDI must be the homeowner. However, a more broad application of SDI to any household member appears to be consistent with the guidance's intent.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	Use of fact specific proxy (FSP) only on an exception basis.	In addition to a self-attestation of income, Virginia Housing intends to income qualify applicants using income documentation. FSP (together with a self-certification) will be used on an exception basis only where documenting income proves to be impossible or impractical based on extenuating circumstances (such as the examples listed in Treasury guidance). This is not expected to be an unnecessary impediment given that individuals that have obtained homeownership have a history of providing this documentation in connection with loan qualification. Also this requirement will be a guard against fraudulent self-attestations for the integrity of the program.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	In instances where there is no outstanding mortgage on a dwelling, but other housing expenses are being paid with HAF funds (such as real estate taxes and insurance), Virginia Housing will apply an eligibility criterion that the current assessed value of the land and dwelling (as determined by the local taxing authority) does not exceed the applicable current conforming loan limit (CLL).	This is consistent with the CLL requirement where there is a mortgage outstanding, and it guards against the political and reputational risk to the program if expenses were paid on high value properties rather than properties accessible for ownership by first-time homeowners and other low- and moderate-income Virginians (Virginia Housing's mission).
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees,	In addition to paying a qualifying loan and insurance on an unattached mobile home, Virginia Housing proposes to pay personal property tax (on the housing unit) and	Personal property tax and lot fees on an unattached mobile home are not specifically enumerated in the Treasury guidance; however,

<p>Payment Assistance on Down Payment Loan</p>	<p>delinquent lot rental fees on behalf of eligible applicants owning unattached mobile homes.</p>	<p>it does seem consistent with the intent of the program and is analogous to real estate tax on an attached mobile home. Unpaid personal property tax could lead to a lien on the unattached mobile home. Unpaid lot fees could cause the owner of the unit to be forced to leave the mobile home park. Also, the cost of the land is included in the payment on an attached mobile home loan, so lot rent on an unattached unit seems analogous. Note that applications for only lot rental fees would be referred to the Virginia Rent Relief Program for payment; however, if other expenses are being paid, the lot rent will be paid from VMRP to avoid homeowner having to make multiple applications for relief to separate programs.</p>
<p>Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan</p>	<p>Mortgage principal reduction, mortgage interest rate reductions, utilities, internet service, home repairs, assistance to enable households to receive clear title to their properties, counseling or educational efforts or legal services for applicants are not eligible uses of Virginia HAF funds.</p>	<p>This is a decision Virginia Housing is making as a prioritization of funds, given limited program resources. State, local, and private utility relief programs in Virginia provide a source of funds for these payments. Regarding home repairs, home equity lines of credit (HELOCs) and other second loans are eligible for VMRP reinstatement and in some cases continuing monthly payments. Regarding clearing title, U.S. Department of Agriculture is providing \$67 million in competitive loans through the new Heirs' Property Relending Program, which aims to help agricultural producers and landowners resolve heirs' land ownership and succession issues. Also, Virginia Housing has created a website www.StayHomeVirginia.com with information for homeowners on federal programs, housing counselors, foreclosure prevention and legal aid contacts and Virginia Housing intends to also add these links to its VMRP web site. Further, apart from VMRP and not to be reimbursed by HAF funds, Virginia Housing is committed to providing Housing Counseling resources to support the Virginia HUD-approved Housing Counseling Network. Through a program utilizing Virginia Housing's net assets, it has provided HUD-approved Housing Counseling Programs approximately \$2.5 million annually. In FY22 we have increased our commitment to \$3.5 million. The increase in funds is to specifically support to housing counseling and education services, to households facing housing instability such as eviction, default, foreclosure, or loss of income that caused or could cause eviction, default, foreclosure or homelessness. Virginia Housing intends to hold information sessions with the housing counselors once the final VMRP program is announced.</p>
<p>Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down</p>	<p>Expenses due prior to 1/21/20 are not eligible. If such expenses are owed, applicant must have other sources of funds or agreement with servicer to address.</p>	<p>This is a decision Virginia Housing is making as a prioritization of funds, given limited program resources. It also reflects that, based upon Virginia Housing's experience administering the</p>

Payment Loan		landlord component of the Virginia Rent Relief Program which covers only past due amounts after April 1, 2020, these expenses are unlikely to be COVID related.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	New Treasury Guidance dated August 2, 2021, changed eligible expenses related to hardship such that “Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF if they experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that date)”. The program has adopted the “including a hardship that began before January 21, 2020 but continued after that date” language from Treasury guidance.	This is a decision Virginia Housing is making as a prioritization of funds, given limited program resources. It also reflects that, based upon Virginia Housing’s experience administering the landlord component of the Virginia Rent Relief Program which covers only past due amounts after April 1, 2020, these expenses are unlikely to be COVID related.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	2-4 unit properties are not eligible.	This is a decision Virginia Housing is making as a prioritization of funds, given limited program resources. Also, rent relief programs are likely to provide adequate support for the owner of these quasi-investment properties in many cases.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	A program assistance cap of \$50,000 is in place. If requested assistance exceeds this amount, applicant must have other sources of funds or agreement with servicer to address.	This is a decision Virginia Housing is making as a prioritization of funds, given limited program resources. It reflects a reasonable estimate of maximum mortgage assistance needed by affected low- and moderate-income Virginians during the covered period after reviewing Virginia Housing’s loan portfolio delinquency information and the other data sources listed in this document. The amount and duration are consistent with other peer Housing Finance Agencies.
Mortgage Reinstatement, Mortgage Payment, Taxes, Insurance, HOA/Condo Fees, Payment Assistance on Down Payment Loan	Applicants that have been in a forbearance plan and gone through the loss mitigation process (such as a HUD partial claim) are not eligible for VMRP. However, if there is a subsequent eligible financial hardship, they may be eligible if all other criteria are met.	Virginia Housing believes that a program requirement forcing applicants to first seek Loss Mitigation options through their servicers would be burdensome on both the homeowners and loan servicers and therefore has excluded this as a requirement from the program design. While Virginia Housing is not requiring VMRP applicants seeking mortgage payment assistance to first seek loss mitigation relief from their loan servicer, the requirement that applicants that have been in a forbearance plan and gone through the loss mitigation process are not eligible is intended to be consistent with Treasury guidance recommending participants to avoid using HAF funds in a manner that replaces other loss-mitigation resources. These individuals may be eligible for future VMRP programs approved by Treasury in amendment(s) to this HAF Plan.

Documentation of Homeowner Income

Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF only if they have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. In addition, not less than 60% of amounts made available to each HAF participant must be used for qualified expenses that assist homeowners having incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States,

whichever is greater. The HAF guidance describes permissible ways for HAF participants to determine homeowner income.

Under the HAF guidance, one permissible approach for determining income is for (1) the household to provide a written attestation as to household income and (2) the HAF participant to use a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area. Will the Participant allow income to be determined in this way?

- Yes
- No

If yes, please describe the fact-specific proxy or proxies to be used for the income determination.

The program will collect income documentation to validate income qualification. However, the program may consider program-wide standard use of a proxy or proxies in the future (and currently on an exception basis as stated below) based on demographic characteristics at the ZIP Code, County or Census Tract level.

Under the HAF guidance, HAF participants may provide waivers or exceptions to this documentation requirement as reasonably necessary to accommodate extenuating circumstances, such as disabilities, practical challenges related to the pandemic, or a lack of technological access by homeowners; in these cases, the HAF participant is still responsible for making the required determination regarding household income and documenting that determination. Will the Participant allow applicants to request such waivers or exceptions?

- Yes
- No

Eligible Mortgage Types

Please indicate which of the following mortgage types are eligible to be assisted under one or more of the Participant's program design elements

- First Mortgage
- Second Mortgage
- Reverse Mortgages (Home Equity Conversion Mortgages, Single-Purposes Reverse Mortgages, or Proprietary Reverse Mortgages)
- Loans Secured by Manufactured Housing (secured by real estate or a dwelling)
- Contracts for Deed or Land Contract (if it is a credit transaction secured by a consensual security interest in the dwelling)

If the Participant excludes any of the forgoing mortgage types from one or more program design elements, explain the exclusion.

Not applicable, as no exclusions are being made.

How Will the Participant Target HAF Resources Consistent with Statutory Requirements?

The Participant must describe how it will target HAF resources in accordance with the HAF guidance. Targeting strategies are affirmative efforts to inform, encourage the

participation of, and facilitate access to resources for targeted households, including by offering multiple intake formats, engaging with nonprofit organizations (e.g., housing counselors or legal services organizations) to provide additional pathways into the program, and providing community outreach, partnerships with housing counseling agencies or legal aid organizations, or other educational services that are aligned with the HAF participant's program design, in a manner that is culturally and linguistically relevant to the targeted communities.

Defining Socially Disadvantaged Individual

Please describe the process the Participant will use to determine whether a homeowner is a "socially disadvantaged individual" as defined in the HAF guidance.

VMRP eligibility requirements will permit Treasury's priority for socially disadvantaged individuals to be satisfied by any household member, rather than by only the applicant themselves. In the absence of clear Treasury Guidance to the contrary, this broader and more inclusive application of the socially disadvantaged individual definition appears to be consistent with the overall goals of the HAF program and is in keeping with Virginia Housing's mission. The VMRP pre-screening process provides the Treasury definition of Socially Disadvantaged Individual to the applicant and asks whether or not the applicant or anyone in his or her household meets the definition. Applicants who select yes, will be classified as socially disadvantaged.

Public Communications

Will the Participant engage in a public communications campaign to raise awareness among targeted populations about the availability of HAF resources, in media such as television, newspapers, online media, or social media?

- Yes
- No

If yes, please indicate whether the public communications campaign will include communications that primarily target the following populations:

- Homeowners earning less than 100% of area median income
- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- resident of a majority-minority Census tract;
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land;
- homeowners that reside in persistent poverty counties;
- individual with limited English proficiency.

Please indicate in which languages, in addition to English, public communications to targeted populations will be undertaken:

- Spanish
- Chinese
- Vietnamese
- Korean
- Tagalog
- Russian
- Arabic
- Haitian Creole
- other _____

Outreach

Will the Participant engage in outreach through partnerships with organizations that focus primarily on serving homeowners earning incomes below 100% of area median income or socially disadvantaged individuals and that have the capacity to engage targeted communities in a culturally and linguistically relevant manner to encourage the submission of applications for HAF resources from targeted populations?

- Yes
- No

If yes, please indicate whether the community outreach efforts will include partnerships with organizations that primarily target the following populations:

- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- resident of a majority-minority Census tract;
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land;
- homeowners that reside in persistent poverty counties;
- individual with limited English proficiency.

Please indicate in which languages, in addition to English, community outreach efforts to targeted populations will be undertaken:

- Spanish
- Chinese
- Vietnamese
- Korean
- Tagalog
- Russian
- Arabic
- Haitian Creole
- other _____

Housing Counseling and Legal Services

Will the Participant facilitate access for eligible households to housing counseling or legal services?

- Yes
- No

If yes, please identify below the providers of housing counseling or legal services that have indicated to the Participant that they are willing and able to support homeowners receiving assistance under the Participant’s HAF programs.

Provider Name	Provider Address	Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
HUD Housing Counseling Agencies	Multiple	https://www.vhda.com/Homebuyers/Pages/Housing-Counseling.aspx	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Virginia Legal Aid	Multiple	https://www.valegalaid.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Virginia Poverty Law Center	919 East Main Street, Suite 610 Richmond, VA 23219	https://vpfc.org/what-we-do/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Targeting specific groups of homeowners

Will the Participant conduct outreach specifically tailored to target potentially eligible households that:

- have mortgages or mortgage assistance contracts held or backed by the Participant?
- have mortgages backed by any of the following agencies: Federal Housing Administration; Department of Veterans Affairs; U.S. Department of Agriculture?
- have privately held mortgages?

What Efforts will be Made to Address Barriers to HAF Program Participation for Potentially Eligible Homeowners, Including Those with Limited English Proficiency or Who are Disabled?

Targeted outreach may be needed to reach homeowners who are likely to experience barriers to access, including persons with limited English proficiency and those with disabilities.

Indicate all of the languages, in addition to English, in which the Participant's HAF application and other program documents will be made available:

- Spanish
- Chinese
- Vietnamese
- Korean
- Tagalog
- Russian
- Arabic
- Haitian Creole
- other _____

Will the Participant's HAF applications and other program documents be provided in forms that are accessible to persons with disabilities?

- Yes
- No

Performance Goals

Treasury will consider the goals and benchmarks the Participant proposes to use to measure the effectiveness of its programs, including whether those goals address the homeowner needs identified by the Participant, the extent to which the goals are disaggregated by key homeowner characteristics as appropriate for the jurisdiction, and whether they include a goal focused on reducing mortgage delinquency.

Please describe Participant's goals and benchmarks for each of its programs with the following program design elements.

Program Design Element	Metrics of Success	Goal
Mortgage payment assistance	<ul style="list-style-type: none"> • Total number of homeowners assisted • Number of homeowners assisted at or below 100% AMI • Number of socially disadvantaged homeowners assisted • Total dollar amount of mortgage payment assistance provided • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners. • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • Assist 3,000 homeowners • Assist at least 1,500 homeowners at 100% AMI or below • Assist at least 1,500 socially disadvantaged homeowners • Commit \$65M dollars of mortgage payment assistance • \$32.5M dollars to 100% AMI or below • \$32.5 dollars to socially disadvantaged • Average of 60 days or less to provide assistance
Mortgage reinstatement	<ul style="list-style-type: none"> • Number of mortgages reinstated • Number of homeowners at or below 100% AMI assisted • Number of socially disadvantaged homeowners assisted • Dollar value paid for mortgage reinstatement • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • Assist 6,400 homeowners • Assist at least 3,200 homeowners at 100% AMI or below • Assist at least 3,200 socially disadvantaged homeowners • Commit \$115M dollars of mortgage payment assistance • \$57.5M dollars to 100% AMI or below • \$57.5M dollars to socially disadvantaged • Average of 60 days or less to provide assistance
Payment assistance for homeowner’s insurance	<ul style="list-style-type: none"> • Total number of homeowners assisted • Number of homeowners assisted at or below 100% AMI 	<ul style="list-style-type: none"> • Assist 1200 homeowners • Assist at least 600 homeowners at 100% AMI or below

	<ul style="list-style-type: none"> • Number of socially disadvantaged homeowners assisted • Total dollar amount of insurance payment assistance provided • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • Assist at least 600 socially disadvantaged homeowners • Commit \$8M dollars of homeowner's or other property insurance payment assistance • \$4M dollars to 100% AMI or below • \$4M dollars to socially disadvantaged • Average of 60 days or less to provide assistance
Payment assistance for homeowner's association fees or liens, condominium association fees, or common charges	<ul style="list-style-type: none"> • Total number of homeowners assisted • Number of homeowners assisted at or below 100% AMI • Number of socially disadvantaged homeowners assisted • Total dollar amount of home ownership cost assistance provided • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • Assist 1200 homeowners • Assist at least 600 homeowners at or below 100% AMI • Assist at least 600 socially disadvantaged homeowners • Commit \$8M dollars of homeowner, condominium association payment assistance • \$4M dollars to 100% AMI or below • \$4M dollars to socially disadvantaged • Average of 60 days or less to provide assistance
Payment assistance for down payment assistance loans provided by nonprofit or government entities	<ul style="list-style-type: none"> • Total number of homeowners assisted • Number of homeowners assisted at or below 100% AMI • Number of socially disadvantaged homeowners assisted 	<ul style="list-style-type: none"> • Assist 1200 homeowners • Assist at least 600 homeowners at or below 100% AMI • Assist at least 600 socially disadvantaged homeowners • Commit \$8M dollars of mortgage payment assistance

	<ul style="list-style-type: none"> • Total dollar amount of assistance provided • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • for second mortgage down payment assistance loans • \$4M dollars to 100% AMI or below • \$4M dollars to socially disadvantaged • Average of 60 days or less to provide assistance
Payment assistance for delinquent property taxes to prevent homeowner tax foreclosures	<ul style="list-style-type: none"> • Total number of homeowners assisted • Number of homeowners assisted at or below 100% AMI • Number of socially disadvantaged homeowners assisted • Total dollar amount of property tax assistance provided • Dollar value provided to homeowners at or below 100% AMI • Dollar value provided to socially disadvantaged homeowners • Number of days spent to provide assistance 	<ul style="list-style-type: none"> • Assist 2000 homeowners • Assist at least 1000 homeowners at or below 100% AMI • Assist at least 1000 socially disadvantaged homeowners • Commit \$11M dollars of property tax payment assistance • \$5.5M dollars to LMI • \$5.5M dollars to socially disadvantaged • Average of 60 days or less to provide assistance

Readiness

Staffing, Systems and Contractors

Treasury seeks information regarding the Participant's organizational capacity to implement its HAF Plan.

Does the Participant anticipate needing to hire additional staff to implement this HAF Plan?

Yes

No

Does the Participant anticipate significant information technology system upgrades to implement this HAF Plan?

Yes

No

Does the Participant have policies or procedures that govern the implementation of each HAF program design element described in this HAF Plan?

- Yes
- No

If no, is a policy and procedure in development for each HAF program design element described in this HAF Plan?

- Yes
- No

Will the Participant use HAF funds to assist eligible households through a program that was operational before the Participant first received HAF funds?

- Yes
- No

If yes, has the documentation for that pre-existing program been adapted to HAF requirements (please answer yes if the pre-existing program already complied with HAF program requirements)?

- Yes
- No

Will the Participant use any third-party contractor or partner to conduct program administration (such as reviewing applications, determining eligibility, processing payments, conducting reporting, and reviewing compliance) for some or all of the Participant's HAF programs?

- Yes
- No

If yes, has the Participant entered into all necessary arrangements with all of the third-party contractors or partners that will conduct program administration?

- Yes
- No

Use of Initial Payment

If the Participant has already received any HAF funds from Treasury, provide the following information about the use of such funds as of June 30, 2021.

What amount of the HAF funds that the Participant has received been disbursed to eligible homeowners?

\$0

How much of the HAF funds that the Participant has reviewed been obligated?

\$0

Has the Participant begun accepting applications from homeowners for any HAF-funded programs?

- Yes
- No

If yes:

How many households have applied for HAF assistance?

How many households has the Participant provided with assistance using HAF funds?

How many households has the Participant provided with housing counseling or legal services using HAF funds?

Provide a brief description of how the Participant has used the HAF funds it has received.

The initial 10% allocation of HAF funding is being used to perform the VMRP Pilot. Virginia Housing may defer reimbursement of administrative costs of the needs assessment, VMRP design, public hearing, technology system solution (licenses for which our VMRP consultant is providing as part of our contract), all other fees to our VMRP consultant, and all other administrative costs until receipt of the balance of HAF Funds from Treasury and make such reimbursement from those additional funds, in order to maximize Pilot Program Funds.

Budget

Budgeting of HAF Funds by Program Design Element

Specify the amounts of HAF funds that the Participant proposes to allocate to each of the following program design elements, if offered:

Mortgage Payment Assistance	<input type="text" value="\$65,900,329.90"/>
Reinstatement Assistance	<input type="text" value="\$115,833,883.19"/>
Homeowner's Insurance	<input type="text" value="\$8,786,710.65"/>
HOA fees or liens Assistance	<input type="text" value="\$8,786,710.65"/>
Payment Assistance for Down Payment Assist. Loans	<input type="text" value="\$8,786,710.65"/>
Payment Assistance for Delinquent Property Taxes	<input type="text" value="\$11,573,421.31"/>

Sub-total:

(Enter sum of amounts entered)

Counseling or Legal Services

The Participant may allocate up to 5% of its HAF funds for counseling or educational efforts by housing counseling agencies approved by the Department of Housing and Urban Development or a tribal government, or legal services, target to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement.

Specify the Participant's allocations for the following:

	Amount (\$0.00)
Counseling or Educational Services	<input type="text" value="\$0"/>
Legal Services	<input type="text" value="\$0"/>
<i>Sub-total:</i>	<input type="text" value="\$0"/>

(Enter sum of amounts entered)

\$0

Reimbursement of Funds Expended After January 21, 2020

As described in the HAF guidance, HAF funds may be used for reimbursement of certain expenses between January 21, 2020 and the date when the first HAF funds are disbursed by the HAF participant under the HAF for a qualified expense (with certain limitations, as set forth in the HAF guidance).

If the Participant is seeking reimbursement for any previous expenses, please specify the expenses and amounts below, providing sufficient detail for Treasury to determine whether the expense is within the definition of “qualified expenses” in the HAF guidance:

	Amount (\$0.00)
Expense Type	\$0
<i>Sub-total:</i> (Enter sum of amounts entered)	\$0

Allocation of Administrative Expenses

As described in the HAF guidance, up to 15% of a HAF participant’s allocation may be used for administrative expenses. If the participant proposes to use HAF funds for administrative expenses, please specify the proposed expenses and amounts below, providing sufficient detail for Treasury to determine whether the expense is within the definition of “qualified expenses” in the HAF guidance:

Expense Type	Amount (\$0.00)
Admin Costs	
Planning	\$2,000,000.00
Community Engagement	\$2,810,000.24
Needs Assessment	\$1,000,000.00
Contracted Services	\$25,000,000.00
Systems, Comms, Data Software Access, Support and Management	\$1,669,070.88
Project Delivery & Compliance Services/Supplies	\$3,545,000.00
Agency Labor	\$2,752,593.53

Sub-total: **\$38,776,664.65**
 (Enter sum of amounts entered)

Total **\$258,444,431**

Consolidated Term Sheet

This Term Sheet contains the criteria and terms¹¹ for each of the three Virginia Housing Development Authority (Virginia Housing) program options under its Homeowner Assistance Fund (HAF) program, known as the Virginia Mortgage Relief Program (VMRP). This program is being supported, in whole or in part, by federal award number HAF-0092 awarded to the State of Virginia by the US Department of the Treasury (Treasury).

Criteria	Terms
HAF Program Overview	The HAF program was established under Section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities, such as Virginia Housing, for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, and displacements of homeowners experiencing a qualified financial hardship due to the COVID-19 pandemic through the provision of assistance to cover qualified expenses related to mortgages and housing.
Description of VMRP Programs	<p>Program Option #1: Reinstatement program.</p> <p>The reinstatement program option is a lump sum grant to bring eligible first and subordinate mortgage(s) expenses current up to the maximum VMRP per household assistance cap.</p> <p>This option will be provided to homeowners whose housing expense to income ratio (HTI) is documented to be <u>equal to or less than</u> 40%.</p> <p>This option provides funds to eliminate past due mortgage payments and other eligible housing expenses.</p>

¹¹ Eligibility for VMRP assistance can only be determined upon a review of a completed VMRP application and all required supporting documentation. In the event of a conflict, the VMRP Plan and Virginia Housing's VMRP policies and procedures, both as may be updated from time to time, will control. This Term Sheet is subject to being supplemented or otherwise amended at any time.

Criteria	Terms
	<p>Notes:</p> <p>(1) If the Maximum Per Household VMRP Assistance is not sufficient to fully reinstate, eligible homeowners must demonstrate sufficient other funds to fully reinstate or document an approved loss mitigation plan with their loan servicer regarding such shortfall, satisfactory to Virginia Housing. If the applicant is unable to reinstate the shortfall or come to a loss mitigation agreement with his or her loan servicer regarding such a shortfall, the applicant is ineligible for VMRP Assistance.</p> <p>(2) Applicants in a forbearance plan at the time of their VMRP application may be eligible. However, amounts owed due to applicant previously receiving a Partial Claim, Deferment, or some other form of Loss Mitigation assistance, are not typically eligible expenses unless applicant's delinquency is due to a qualified hardship as a result of COVID-19 occurring subsequent to the loss mitigation assistance.</p> <p>Program Option #2: Reinstatement plus monthly housing assistance.</p> <p>The reinstatement plus monthly housing assistance program option is a lump sum grant to bring eligible first and subordinate mortgage(s) current (Program Option #1) <u>plus</u> make future monthly payments of eligible housing expenses until the qualified financial hardship has been removed, the homeowner(s) become eligible for other loss mitigation options with the current servicer, or until the maximum per household VMRP assistance has been exhausted, whichever happens first.</p> <p>This option will be provided to homeowners receiving mortgage reinstatement assistance whose HTI is <u>greater</u> than 40%.</p> <p>Requires re-certification of income and hardship every 90 days that the payment is ongoing.</p> <p>Program Option #3: Assistance with Eligible Housing Expenses.</p> <p>The assistance with eligible housing expenses program option is for homeowners with no mortgage or homeowners with delinquent eligible expenses that are not escrowed with their mortgage servicer. Such homeowners may still be eligible for</p>

Criteria	Terms
	<p>payment of other delinquent eligible housing expenses under this VMRP program option.</p>
<p>Overview of Eligibility Criteria</p>	<p>The basic VMRP eligibility requirements (as further discussed in this Term Sheet) are as follows:</p> <ul style="list-style-type: none"> (i) Homeowners must be an eligible applicant entity type; (ii) Homeowners must have experienced a qualified financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provide an attestation describing the nature of the financial hardship; (iii) Home must be an eligible property type and be located in Virginia; (iv) Home must be owned and occupied as homeowners' primary residence; (v) Applicant's household income must be below certain maximum income restrictions; (vi) Assistance sought must be for an eligible housing expense; (vii) Certain maximum limits cannot be exceeded for: (a) mortgage amount (original outstanding principal balance), or (b) in cases where there is no mortgage, the assessed value of the dwelling and land; (viii) If mortgage payment assistance is sought, the mortgage must be an eligible mortgage type; (ix) Assistance cannot exceed the maximum VMRP per household assistance cap; and (x) The VMRP assistance may not duplicate any other federal, state or local housing assistance received by homeowner for the same expenses paid for by VMRP.
<p>Eligible Applicant Entity Type</p> <p>Bankruptcy</p>	<p>Applicant must be a "natural person" (i.e., LLP, LP or LLC do not qualify). A homeowner that has transferred their ownership right into non-incorporated, Living Trusts, may be eligible provided the homeowner occupies the home as the primary residence. Heirs, equitable owners, and successors-in-interest, as that term is defined in Section 1024.31 of Title 12 of the Code of Federal Regulations, may be eligible.</p> <p>Active bankruptcies must provide proof of court or trustee approval to participate in the program.</p>

Criteria	Terms
Citizenship	US Citizenship is not required, but there are documentation requirements related to eligibility of non-citizens.
Qualified Financial Hardship	A qualified financial hardship means a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default or foreclosure after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provide an attestation describing the nature of the financial hardship.
Eligible Property Type	<p>Eligible property types are the following dwellings: single-family single unit attached or detached homes, condominium, cooperative, mobile or manufactured homes (both affixed and unaffixed to land) which are habitable structures (not condemned or having suffered material damage).</p> <p>Note that 2-4 unit properties and mixed-use properties are not eligible for VMRP.</p> <p>Property must be located in Virginia.</p>
Primary Residence	The home must be the homeowner's primary residence. Second homes and vacation homes are not eligible.
Maximum Income Restrictions	<p>Consistent with Treasury guidance, the VMRP is prioritizing the following for eligibility: (1) homeowners with household incomes at or below 100% of the applicable area median income (AMI), or national median income, whichever is greater, and (2) socially disadvantaged individuals, as defined by Treasury, with household incomes equal to or less than 150% of the AMI or 100% of the national median income, whichever is greater.</p> <p>Income limits specific to the HAF program have been published by HUD and can be found at: https://www.huduser.gov/portal/datasets/haf-il.html.</p> <p>Treasury's definition of socially disadvantaged individual can be found here: https://home.treasury.gov/system/files/136/HAF-Guidance.pdf</p>
Eligible Housing Expenses	<p>Eligible housing expenses must be one of the following:</p> <ul style="list-style-type: none"> • Existing first mortgage lien loan payment PITI, escrow shortages, servicer corporate advances. • Subordinate mortgage lien payment (principal and interest) and/or installment payment of government bond second

Criteria	Terms
	<p>lien for down payment assistance (such as Virginia Housing second deeds of trust for down payment).</p> <ul style="list-style-type: none"> • Reasonable legal fees of the servicer or other payee associated with delinquency of eligible expenses. • Attached or unattached manufactured/mobile home loan monthly payment (principal and interest). • Personal property tax on unattached manufactured/mobile homes. • If home loan monthly payment and/or personal property tax are being paid on an unattached manufactured/mobile home, lot rent may also be paid. However, applications for lot rent only are not eligible under HAF but may be under the Virginia Rent Relief Program (RRP). • Homeowner’s association fees, condominium association fees and special assessments, cooperative maintenance fees, or common charges, including for a lien extinguishment. • Homeowner’s hazard and other property insurance, flood, and/or mortgage insurance. • Delinquent real estate property taxes. <p>However, amounts owed due to applicant previously receiving a Partial Claim, Deferment, or some other form of Loss Mitigation assistance, are not typically eligible expenses unless applicant’s delinquency is due to a qualified hardship as a result of COVID-19 occurring subsequent to the loss mitigation assistance.</p>
<p>Maximum Eligible Mortgage Amount</p> <p>Maximum Property Value</p>	<p>The following, as applicable, must be met:</p> <p>(a) If mortgage payment assistance is sought, the original outstanding principal balance of the mortgage must have been less than applicable conforming loan limits at the time of loan origination; <u>or</u></p> <p>(b) if no mortgage, the current assessed value of the land and dwelling (as determined by the locality’s assessor’s office) must be less than the current conforming loan limit.</p>
<p>Eligible Mortgage Type</p>	<p>Eligible mortgage type means any credit transaction that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower for an eligible property type.</p> <p>This includes federally backed, conventional, private, and reverse mortgages. It also includes a loan secured by a manufactured or</p>

Criteria	Terms
	<p>mobile home (both affixed or unaffixed to land), or a contract for deed (also known as a land contract).</p> <p>As stated above, the original outstanding principal balance of the homeowner’s first mortgage must have been, at the time of origination, not greater than the Fannie Mae/Freddie Mac conforming loan limit (CLL) in effect at the time of origination. Accordingly, “jumbo” mortgages are not eligible.</p>
VMRP Per Household Assistance Cap	Assistance is limited to a maximum of \$50,000 per household.
Form of VMRP Assistance	<p>Assistance will be structured as a non-recourse grant, recoverable in the event of fraud or overpayment.</p> <p>Applicant must certify in the application that they are not also participating in any other federal, state, or local payment assistance program that is duplicative of VMRP.</p>
Payment Method	<p>Virginia Housing or its agent will disburse VMRP assistance directly to the mortgage lender/servicer, contract for deed holder, county treasurer or local taxing authority, hazard insurance company, and/or homeowners’/condominium association, as appropriate.</p> <p>Payments will not be made directly to homeowners.</p>
Length of VMRP	The VMRP will continue until the earlier of: (i) September 30, 2026, or (ii) when all of the funds allotted to the Commonwealth of Virginia have been exhausted.
Additional Information	<p>The full VMRP Plan, additional program information and FAQs are available at www.VirginiaMortgageRelief.com. Interested parties may also contact the VMRP Customer Center on Monday through Friday from 8 AM to 8 PM ET at 833-OUR-VMRP (833-687-8677) or send an e-mail to: outreach@virginiamortgagerelief.com.</p>

