

UPDATE ON HARDEST HIT

Helping Troubled Homeowners with Death, Divorce or Disability-Related Hardships

In February, the US Department of Treasury and the Florida Housing Finance Corporation announced a dramatic change to the Florida Hardest-Hit Fund (HHF) program. While this foreclosure prevention program has previously assisted only applicants experiencing a job loss or a reduction of employment income, HHF is now also available for those with a financial hardship resulting from the death of a family member, from divorce, or from a member with a disability. The expanded eligibility criteria are expected to result in an increased number of applications and approvals for homeowners, and more assistance being expended.

The new change eliminates an eligibility criterion that has previously deemed a significant number of applications ineligible. Although death, divorce and disability-related hardships are common reasons why borrowers have traditionally faced foreclosure, Hardest Hit was initially designed to assist those hardest hit when a sluggish local economy results in reduced earned income or a job layoff.

Now the program has been re-designed to assist those experiencing any of these types of hardships. If a borrower on a mortgage dies, Hardest Hit may help once probate is complete and the survivor has assumed the home loan. The program may also assist if a borrower leaves the home during a divorce, and the remaining borrower experiences a resulting financial hardship paying the mortgage. Similarly, when a borrower or a member of their household experiences a disability, the borrower is now considered to have a qualifying hardship for HHF assistance. In all cases,

the homeowner must show that income has decreased at least ten percent from pre-hardship levels.

HHF Advisor Agencies are now reviewing past applicants who were formerly deemed ineligible to see if they now qualify under the revised program criteria. They continue with outreach efforts in their respective communities to increase awareness of this federal program. Program staff also works with servicers on events they host for their borrowers.

In late January, Florida Housing shared a HHF progress report with staff from more than 70 agencies participating in the program statewide. So far, 21,639 homeowners have received some form of Hardest Hit assistance:

- \$150 million has been spent from the Unemployment Mortgage Assistance Program (UMAP) to make monthly mortgage payments for homeowners with hardships.
- \$122 million has been spent on Mortgage Loan Reinstatement Program (MLRP) assistance for those past due on their mortgage payments.
- \$191 million from the Principal Reduction (PR) program has helped severely underwater homeowners to reduce their first mortgages.

Although over half of the state's Hardest Hit fund allocation has now been spent, there is funding remaining to assist many future applicants, including those with newly added qualifying hardships. Hardest Hit funding will continue to be available for eligible applicants through 2017.



DAVID WESTCOTT INTRODUCED HARDEST HIT ADVISORS ACROSS FLORIDA TO PROGRAM CHANGES AS PART OF JANUARY AND FEBRUARY TRAININGS.



PRESENTER MICHAEL CHANEY AND A PANEL OF FLORIDA HOUSING STAFF PROVIDED UPDATES AND TRAINING WITH EDUCATIONAL —AND ENTERTAINING— EXERCISES.