

Helping Homeowners with COVID-19 SHIP Emergency Assistance

Sponsored by the Florida Housing Finance
Corporation's Catalyst Program

Michael Chaney
Chaney@flhousing.org

Aida Andujar
Andujar@flhousing.org

Florida Housing Coalition



Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

**Sponsored by the Florida Housing
Finance Corporation**



we make housing affordable™

THE FLORIDA HOUSING COALITION



Overview

- Ways SHIP Assists COVID-19 Response
- The Role of Foreclosure Counseling
- Notifying SHIP Assisted Homeowners
- Preparing for Emergency Assistance
- Offering Emergency Mortgage Assistance
- Other SHIP COVID-19 Topics, including SHIP Survey Results

How to Learn Where SHIP Emergency Assistance is Available

	What City or County are you with?	Office is open	Office is closed	Working remotely	Only some staff are working
1	Coconut Creek			Working remotely	
2	City of Gainesville		Office is closed	Working remotely	
3	Calhoun		Office is closed		
4					

◀ ▶
Survey Responses
Unencumbered Funds
Rent Payments
Mortgage Payments
Foreclosure Counselor

- See SHIP Survey Spreadsheet tabs for Rent Payments and Mortgage Payments
- Contact local SHIP offices

<https://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program/local-government-information>

Ways SHIP Assists COVID-19 Response

- Temporary Rent and Utility Payments
- Eviction Prevention
- Mortgage and Utility Payments
- Foreclosure Prevention Payments
- Foreclosure Counseling

How is Mortgage Assistance Different than Rent Assistance?

Rent Assistance webinar <https://vimeo.com/403418248>

- Homeownership Set-aside is not a Problem, but 75% Construction Set-aside is
- Mortgage companies announce forbearance whereas landlord usually does not
- No Mortgage Assistance like \$4 Billion of ESG Rental Assistance in CARES Act
- Option to place a mortgage assistance lien against the property

The Role of Housing Counseling

ALSO KNOWN AS

- Foreclosure Prevention Counseling
- Forbearance Counseling

PRESENTER:

Michael Puchalla, Executive Director of
HELP (Housing, Education, Lending Programs)

michael@collierhousing.com

THE FLORIDA HOUSING COALITION



First Step: Forbearance

CARES Act Forbearance Rule

- A forbearance of reduced or suspended payments shall be granted for up to 180 days
 - Borrower must make request verbally (or in writing, by email, chat, or servicer web portal)
 - May be extended at borrower's request for an additional 180 days
- During forbearance, servicer cannot charge fees, penalties
- Applies to loans from FHA, USDA, VA, Fannie, Freddie

Servicers/Lenders are Busy

Mortgage Bankers Association Survey Shows Spike in Forbearance and Servicer Call Volume

- <https://www.mba.org/2020-press-releases/april/mba-survey-shows-spike-in-loans-in-forbearance-servicer-call-volume>
- April 7: According to MBA's Forbearance and Call Volume Survey, the total number of loans in forbearance grew from 0.25% to 2.66% from March 2 to April 1.

Some lenders are establishing online portals, scheduling times to talk with homeowners

Forbearance: Types of Hardships

- Still employed but expenses have increased
- Underemployed
- Temporarily Laid Off
- Unemployed

Options After Forbearance Period

IF BORROWER CAN PAY

Pay the suspended payments all at once

Repayment Plan- Pay over short time

Partial Claim *For FHA Loans only-* Interest free soft second on borrower's mortgage repayable when house is sold, refinanced or paid off

Options After Forbearance Period

IF BORROWER CANNOT PAY

Use regular loss mitigation 'waterfall' of options

Extend Modification- Tack on number of missed payments to end of loan

Cap and Extend Mod- Capitalize missed payments and increase number of payments

- May help those with many months of missed payments

Flex Mod- Lower interest rate and/or extend loan term to lower monthly payments

Also, Florida's Foreclosure Moratorium

- April 2, 2020: Governor's Executed Order # 20-94 suspended and tolled "any statute providing for a mortgage foreclosure cause of action under Florida law for 45 days."
- Affects all mortgage foreclosure cases, regardless of COVID connection.
- Order does not suspend obligation for borrowers to continue making mortgage payments
- Unclear if foreclosure actions currently pending are affected but FL Supreme Court issued an order suspending writs of possession and some lower courts (9th Circuit Court) have issued orders clarifying the suspension of pending foreclosure cases.

Counseling Agencies Can Help

- Answer initial questions from concerned homeowners
- Provide online forbearance classes
- Offer one on one counseling by phone or remote meeting platform
- Counselors help borrowers prepare: Interest continues to accrue, escrow must be replenished
- After Forbearance: Complete a loss mitigation package to expedite modification/other options for lender and homeowner



SHIP Pays for Foreclosure Prevention Counseling

- No direct payments to eligible households. Pay counselors offering foreclosure assistance
- Does not have to be connected to a SHIP Strategy
- No LHAP revisions/additions needed to begin

Notifying SHIP Assisted Homeowners

Message to Borrower: Contact Your Lender

Encourage recent SHIP purchase and rehab recipients to contact servicer/mortgage provider

Some servicers have not proactively reached out to borrowers

Not all Homeowners understand:
“Forbearance is not Forgiveness”

Borrowers have different circumstances. Some had hardships before COVID

Resources for Homeowners

[Knowyouroptions.com](http://knowyouroptions.com) – Fannie Mae site

[Myhome.freddiemac.com](http://myhome.freddiemac.com) – link to foreclosure avoidance tips and resources on the site

CFPB.gov – has a big bold link to financial protection tips and resources

Pay a Counseling Agency to address questions

Wells Fargo discusses website, calls and more:

- 25 minutes into <https://vimeo.com/405984004>

Preparing for Emergency Mortgage Assistance

- Update Strategies
- Request Set-Aside Waivers
- Request Advertising Waiver
- Plan for Outreach
- Identify Unencumbered Funds
- Assess Deadline Compliance

COVID-19 Mortgage Assistance is Disaster-Related Aid

In the past, SHIP has helped residents displaced by disasters

- Pay rent for a month to month rental, or
- Shelter in a hotel, \$100 or more daily with no discounts



COVID-19 assistance recipients are not displaced

- SHIP may pay the mortgage where eligible applicants currently live

Update the Disaster Strategy



President's March 13
Emergency Order,
activates SHIP
Disaster Strategy

Make a technical revision to the Disaster
Strategy to offer COVID-19 Support

- ✓ Requires FHFC approval...
- ✓ DOES NOT require approval from Elected
Officials

Updated Technical Revision & Waiver Requests TEMPLATE

Replace ‘Summary’ of your Disaster Strategy:

“The Disaster Assistance strategy provides funds to households following a disaster or emergency declared by the President of the United States or Governor of the State of Florida. SHIP disaster funds may be used for items such as, but not limited to:

- (a) purchase of emergency supplies....
- (d) payment of insurance deductibles...
- (f) **rental and utility** assistance for eligible applicants.
- (g) **mortgage and utility** payment assistance for eligible applicants.”

Technical Revisions to a Rental Assistance or Foreclosure Prevention Strategy

Add to Foreclosure Prevention Strategy:

Temporary mortgage and utility payments for up to 12 months for homeowners financially impacted by a disaster

Add to Rental Assistance Strategy:

Temporary rent and utility payments for up to 12 months for tenants financially impacted by a disaster

Waiver of Set-Asides

Mortgage assistance does not comply with:

- 75% Construction/Rehab Set-aside

Waiver provided when FHFC approves technical revision of SHIP strategy

HANDOUT: Waiver Requests Template

- Set-aside waiver for which SHIP Allocation(s)?
- “If you end up not using funds from one of the stated fiscal years to address emergency issues, then the set-asides still apply. The waiver is only in effect if you actually go over the set-asides for this purpose.”

Advertising Requirement

Request a waiver of Advertising Requirements

- Must be published in Newspaper of general circulation
- Wait 30 days before accepting applications

Waiver provided when FHFC approves technical revision of SHIP strategy

- Waiver Requests Template includes request to waive advertising requirements

Plan for Outreach

- Add to Local Government Website
- State Senators/Representatives
- Local government social media outlets
- Local government television channel
- Part of local government's regular COVID update email
- Share with stakeholder to post on social media, websites
- School districts can share information
- 211

How Much Funding

Identify Unencumbered Funds from:

- 17/18: \$ _____
- 18/19: \$ _____
- 19/20: \$ _____
- 20/21: \$ _____

Assess Expenditure & Encumbrance
Deadline Compliance

- 17/18 expended by June 30, 2020
- 18/19 encumbered by June 30, 2020

Ask Tough Questions about Encumbered Funds

What Encumbered Projects will be quickly completed?

- Rehab Projects
- New Construction Projects
- Purchase Assistance
- Reassign delayed projects to 20/21 allocation, Shift funds to Mortgage/Rent Assistance

Expenditure Deadline Extension

- **FIRST:** decide whether to shift funds to Mortgage/Rent Assistance before June 30
- **If Necessary: Waiver Requests Template** includes request for an expenditure deadline extension
 - ✓ Amount of funds not expended or not encumbered
 - ✓ Plan for how funds will be expended
 - ✓ Anticipated completion date

Offering Emergency Assistance

THE FLORIDA HOUSING COALITION



Provide Foreclosure Prevention

- Contract with a counseling agency
- Option: Add on to existing contract
- Option: Investigate exception to local procurement policy
- Pay a service delivery fee

Provide Mortgage Assistance

Timing of Mortgage Assistance

- Provide SHIP mortgage assistance now
- Or at the end of forbearance period?

Priority to Consider

First, categorize by:

1. Previously SHIP Assisted
2. Was SHIP Eligible before COVID Period
3. Was not SHIP Eligible before COVID Period
(Requires an EXTRA income calculation)

Next, prioritize by 'Income with Current Circumstances':

1. Very Low Income
2. Low Income

Order of Assistance

Income Set-Aside is still Active

1. Highest Priority: Very Low Income with current circumstances*
2. Low Income with current circumstances*
3. Was SHIP Eligible before COVID Period
4. Lowest Priority: Was not SHIP Eligible before COVID Period

* Previously SHIP Assisted

Policy Decision

Maximum Award

- Award: \$15,000 - \$30,000?
- Maximum Award based on average mortgage payments, money available, duration of assistance, and other factors

Policy Decision: Duration of Assistance

- Do not encumber 6 months or more per household. Initially commit less than max award
- Assess recipient's eligibility and need monthly
- Issue an award letter based on income certification form
- SHIP Staff confirms no income change monthly before providing further assistance
- If household income changes, recertify income

Document Mortgage Assistance Need

Document Income Reduction

COMPARE

- Annual income before COVID Period
- Annual income with current circumstances

Collect written documentation or affidavits of reduced hours or unemployment

Proper file documentation

- Signed application
- Income Verification
- Income Certification Form
- Award Letter
- Documentation of Mortgage Assistance Need
- Collect Monthly Mortgage statement with Servicer address/contact information
- Utility bill with account number
- SHIP Agreement with Applicant: Duplication of Benefits

Steps in the Assistance Process

- Collect applications and prioritize
- Income eligibility determination
 - Review documentation to confirm priority
 - Includes EXTRA: Pre COVID income
- Collect program specific documents: Mortgage Assistance Need, Monthly Statement, Duplication of Benefits
- Mail Mortgage check to Servicer
- Mail Utility check to Utility Provider

SHIP Administrator Presentation: Lori Switzer

Franklin County Mortgage Assistance



THE FLORIDA HOUSING COALITION



SHIP Assists with Temporary Housing Payments

Red Tide in Franklin County

\$350,000 of SHIP-DR Funds

- 141 received Mortgage & Utility payments
- 120 received Rent & Utility payments.



SHIP COVID-19 Topics

COVID-19 Training Webinars

- Emergency SHIP Assistance for Renters
- Assisting Homeless and Special Needs Populations through COVID-19 – offered April 8
- Virtual SHIP: Moving Gov't Functions Online
- Request Other Topics
 - Write “Topic:___” in question box

Weekly COVID-19 Update

- Check COVID-19 page:
<https://www.flhousing.org/covid-19-housing-related-resources/>

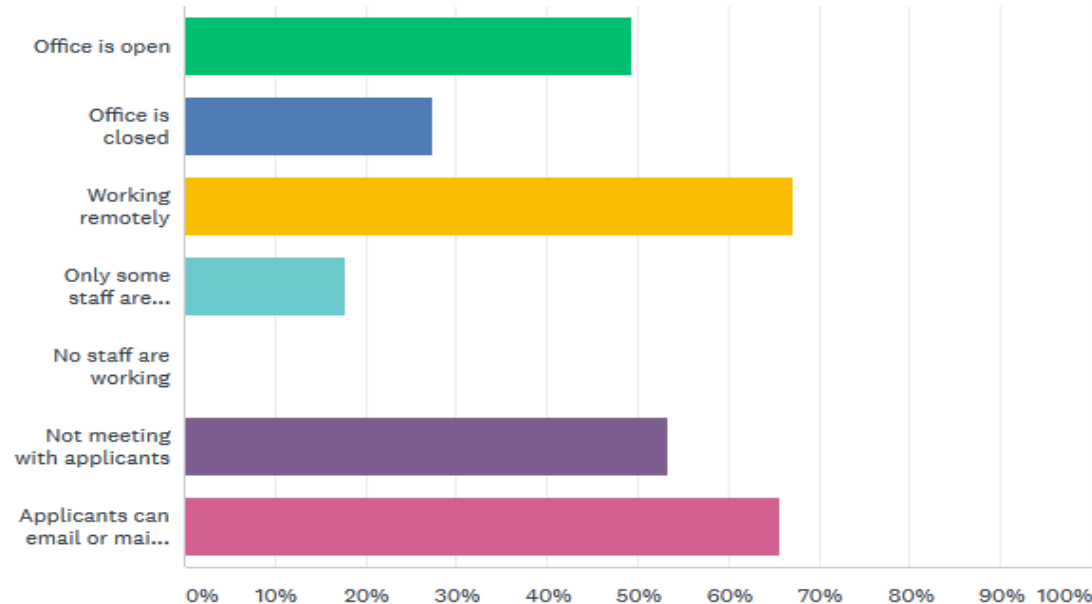
Phone and Email Support Available

- Creating emergency assistance program
- Calculating current Set-Aside compliance
- Guidance on outreach
- Eligibility determination for specific cases
- Guidance for contracting with nonprofit partners
- What other needs?

SHIP Survey Results

What is the status of your SHIP office? Check all the following that apply

Answered: 73 Skipped: 0



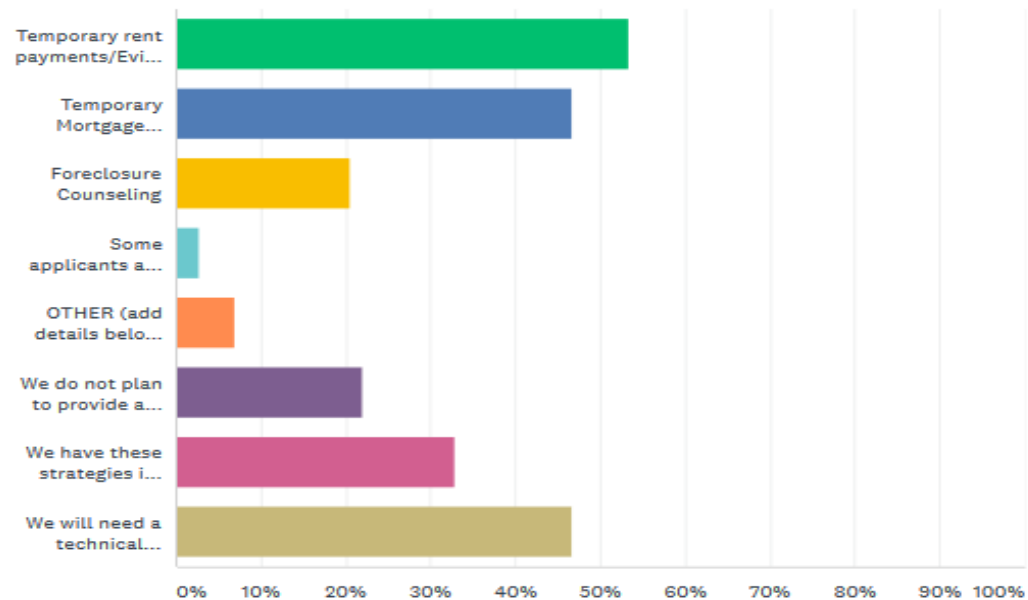
Complete survey at <https://www.surveymonkey.com/r/CX2DL2V>

ANSWER CHOICES	RESPONSES
Office is open	49.32% 36
Office is closed	27.40% 20
Working remotely	67.12% 49
Only some staff are working	17.81% 13
No staff are working	0.00% 0
Not meeting with applicants	53.42% 39
Applicants can email or mail applications and supporting documents	65.75% 48
Total Respondents: 73	

SHIP Survey Results

Do you plan to provide any emergency assistance? Check all the following that apply

Answered: 73 Skipped: 0



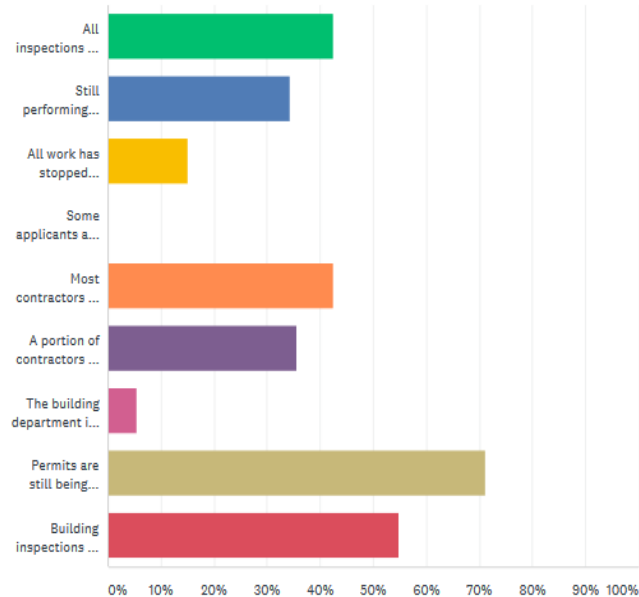
ANSWER CHOICES	RESPONSES
Temporary rent payments/Eviction Prevention	53.42% 39
Temporary Mortgage payments/Foreclosure prevention	46.58% 34
Foreclosure Counseling	20.55% 15
Some applicants are displaced from their homes	2.74% 2
OTHER (add details below in open response question)	6.85% 5
We do not plan to provide any emergency assistance	21.92% 16
We have these strategies in our current LHAP	32.88% 24
We will need a technical revision to the LHAP provide these services	46.58% 34
Total Respondents: 73	



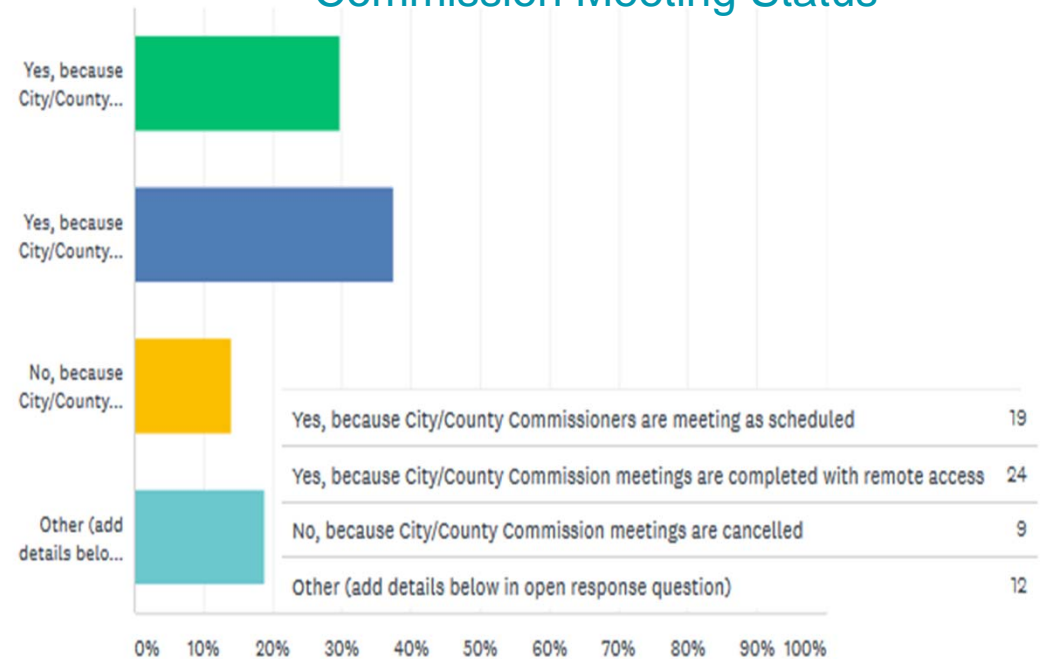
SHIP Survey Results

What is the status of your SHIP home rehabilitation work? Check all the following that apply

Answered: 73 Skipped: 0



Commission Meeting Status



ANSWER CHOICES	RESPONSES
▼ All inspections and pre-bids meetings temporarily cancelled	42.47% 31
▼ Still performing inspections and pre-bids	34.25% 26
▼ All work has stopped temporarily	15.07% 11
▼ Some applicants are displaced from their homes	0.00% 0
▼ Most contractors are still working	42.47% 31
▼ A portion of contractors are still working	35.62% 26
▼ The building department is closed, no permits or inspections	5.48% 4
▼ Permits are still being processed	71.23% 52
▼ Building inspections are still being performed	54.79% 40
Total Respondents: 73	

THE FLORIDA HOUSING COALITION



Review of the SHIP FAQ



- Waivers Apply During the Executive Order
- Duplication of Benefits
- Income Groups to be Served
- Grants vs Loans
- Go to Meeting, Zoom, Microsoft teams, Facebook live, Google Hangouts Meet

FAQ: Will waivers apply to 20-21 funds?

- You can include 20-21 in waiver request but spend older distributions first
- Waivers only apply to assistance under current Executive Order. Not a blanket waiver
- 20-21 funds likely will not be available until October

Recently Unemployed Applicants

- Unemployment benefits is proof of layoff
- Stimulus funding is not income
- Self certification is a last resort
- Use alternative forms of verification





Income Verification Methods

Recipients: keep SHIP Office updated on the status of their income on a monthly basis

Collect written third-party verifications when possible

For Signatures use the mail, scan, take photos and/or email

Electronic signatures are acceptable

Other FAQ Subjects

- Eligibility Documentation
- Preparing for COVID-19 Emergency Assistance
 - Technical Revisions
 - Waivers
- Mortgage Assistance
- Rental Assistance
- Available Funding and Deadlines

Questions and Answers

Technical Assistance is Available

Call us at 800 677 4548

www.flhousing.org

Michael Chaney
Chaney@flhousing.org

Aida Andujar
Andujar@flhousing.org

Florida Housing Coalition

