

COVID-19 SHIP Mortgage Assistance Implementation

Sponsored by the Florida Housing Finance Corporation's Catalyst Program

Michael Chaney
Chaney@flhousing.org

Aida Andujar
Andujar@flhousing.org

Florida Housing Coalition



SHIP

housing a stronger Florida

THE FLORIDA HOUSING COALITION



Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

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This is the Second Phase of COVID-19 Training

Builds upon Introductory Webinar:

- Helping Homeowners with COVID-19
SHIP Emergency Assistance

April 14 <https://vimeo.com/407646578>

THE FLORIDA HOUSING COALITION



Upcoming COVID-19 Training

Building a Coordinated Plan to Deploy
Federal and State Rental Housing and
Homelessness Program Funding

May 26 at 10:00 am

<https://attendee.gotowebinar.com/register/1736375557717424907>

THE FLORIDA HOUSING COALITION



Overview

- Update on foreclosure moratoriums and mortgage forbearance
- Results of Latest Survey
- Outreach and Intake
- SHIP Staff Presentations
- Forbearance Counseling
- Providing Assistance



Foreclosure Update

- Statewide eviction & foreclosure moratorium remains in effect until June 2.
- CARES Act provided additional protection for federally assisted properties or properties backed by a federal mortgage through May 17.
- FHFA & HUD extended the foreclosure moratorium for its single-family mortgages through June 30, 2020.



Foreclosure Update

- Note: not all federal agencies have extended their moratoria.
- Remember: under the CARES Act, protected borrowers can request forbearance for up to 180 days, with an option to renew for another 180 days up to 1 year.
- CARES Forbearance applies to nearly 70 percent of homeowners with mortgages have loans somehow supported by the federal government



Forbearance Data

- **Mortgage Bankers Association**: estimates 8.16%, or 4.1 million homeowners, are in forbearance plans
- **Ginnie Mae** (FHA or VA loans): 11.26% of mortgages in forbearance
- **Fannie and Freddie**: 6.25% of mortgages in forbearance
- Last week, FHFA announced a new payment deferral option to allow borrowers the ability to repay the missed payments at the time the home is sold, refinanced, or at maturity.



Order of Assistance

Consider requiring applicants to seek forbearance before and limiting mortgage assistance to those who are not eligible for forbearance

More recommendations on recording:

<https://vimeo.com/407646578>

Highest Priority: Currently Very Low Income*

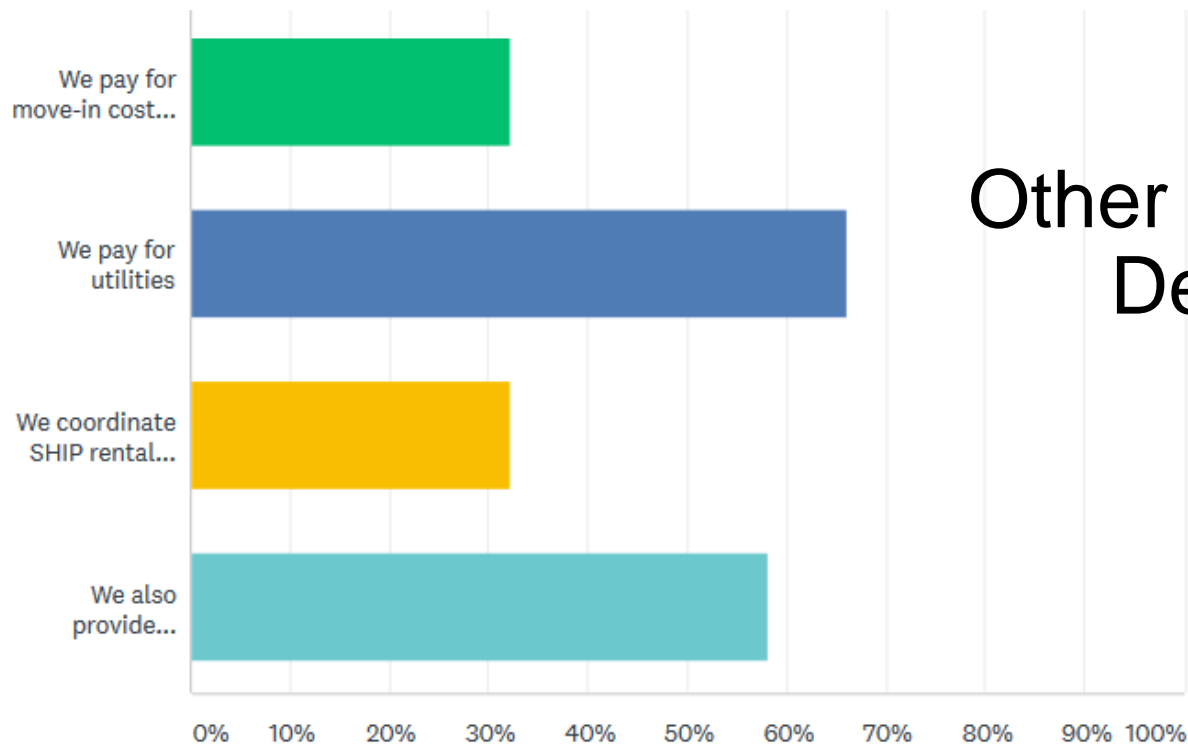
Low Income with current circumstances*

Lowest Priority: Was not SHIP Eligible before COVID Period

* Was SHIP Eligible before COVID Period



Results of Most Recent Survey



Other Program Details

ANSWER CHOICES	RESPONSES	
▼ We pay for move-in costs such as security deposits	32.26%	20
▼ We pay for utilities	66.13%	41
▼ We coordinate SHIP rental assistance with local Continuum of Care efforts	32.26%	20
▼ We also provide mortgage assistance	58.06%	36

Communities Offering Mortgage Assistance

Brevard Cty
Cape Coral
Citrus Cty
Clay Cty
Clearwater
Collier Cty
Coral Springs
Daytona Beach
Deerfield Beach
Delray Beach
Duval County
Escambia Cty
Flagler Cty
Fort Lauderdale
Fort Myers
Gainesville
Glades Cty

Hernando Cty
Highlands Cty
Hillsborough Cty
Kissimmee
Lake Cty
Largo
Lauderhill
Lee Cty
Marion County
Manatee County
Melbourne
Miami Beach
Palm Bay
Okaloosa Cty
Orange Cty
Osceola Cty
Palm Beach Cty
Palm Bay

Pensacola
Pasco Cty
Polk Cty
Pompano Beach
Pensacola
Plantation
Port St Lucie
Sarasota Cty
Seminole Cty
St Johns Cty
St. Lucie Cty
St. Petersburg
Tamarac
Tampa
Titusville
West Palm Beach



Communities that have updated SHIP Strategies to Provide COVID Assistance

Alachua
Boynton Beach
Broward
Charlotte
Citrus
Clay
Clearwater
Collier
Coral Springs
Davie
Deerfield Beach
DeSoto

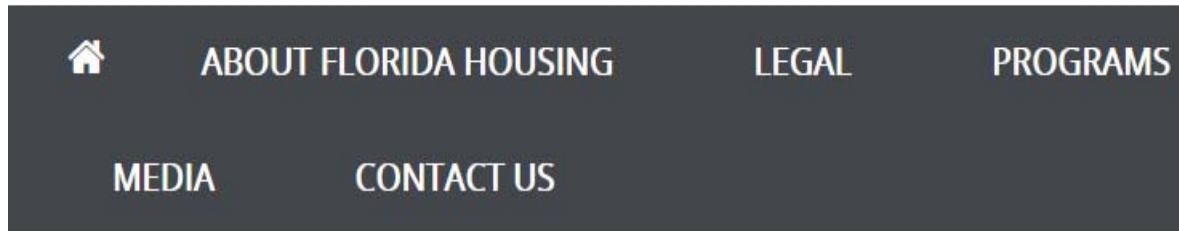
Flagler
Ft. Lauderdale
Ft. Myers
Ft. Pierce
Gainesville
Hardee
Hialeah
Highlands
Hillsborough
Lake
Lakeland
Largo
Lee

Levy
Manatee
Marion
Miami
Miami Beach
Miami Gardens
Miramar
Okaloosa/
Ft. Walton
Okeechobee
Orange
Orlando
Osceola

Palm Bay
Palm Beach Cty
Pinellas
Polk
Pompano Beach
Putnam
Seminole
St. Johns
St. Lucie
St. Pete
Tamarac
Tampa
Volusia



How to Learn Where SHIP Emergency Assistance is Available



[Home](#) / [PROGRAMS](#) / [Special Programs](#) / [SHIP - State Housing Initiatives Partnership Program](#) /

Local Government Information

Please select from the City or County drop down lists, or the "View All Contacts" information and contacts:

City:

Please select a City... ▾

County:

Please select a County... ▾

Contact local
SHIP offices

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



Survey: Outreach Activities

- Letters to recent SHIP recipients
- Media and social media
- coadfl.org
- County/City website
- Community liaisons
- Non-profits
- Neighborhood Connection Newsletter
- County Commission meetings
- Notice in newspaper
- Brochure
- Mail-outs, and flyers through partners so we don't get overwhelmed
- Public announcement by City Mayor



Example of COVID SHIP Mortgage Assistance

MORTGAGE PAYMENT ASSISTANCE GRANT

City of St. Petersburg Housing & Community Development

Linda Byars
Housing Finance Coordinator
(727) 892-5572
May 20, 2020
www.stpete.org/housing
Linda.Byars@stpete.org



MORTGAGE PAYMENT ASSISTANCE GRANT

On March 27, 2020, after the March 13, 2020 Declaration of Emergency, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which provides broad relief for mortgage loan borrowers was signed into law by the President.

Under the CARES Act with SHIP and CDBG and in compliance with 24 CFR 570.207(b)(4) rules and regulations, the City of St. Petersburg created the Mortgage Payment Assistance Grant Program that provides emergency grant funding to its citizens who have been negatively impacted by COVID-19, preventing them from maintaining current mortgage and utility payments.

Impacts of COVID-19 include:

- *Temporary or permanent unemployment or underemployment*
- *Health disparities*
- *Interrupted financial well being*
- *Drawing savings down*
- *Increased credit debt*
- *Forced to shelter at home*
- *Other work-related income*



MORTGAGE PAYMENT ASSISTANCE GRANT

The Grant

- Pays three months consecutive mortgage and utility payments
- Is paid directly to the first mortgage lender and the utility providers
- Cannot exceed a total of \$8,000
- Cannot be used in conjunction with another funding source for the same purpose and same time period (Duplication of Benefits)
- Is available to those who can provide evidence of the impact of CV-19
- Is available only to those who are income eligible at 80% AMI (HUD Handbook 4350.3 Chapter 5, 24 CFR92.203(a)(1) and by (2) 24 CFR92.64(a)(1)(ii) waiver of self-certification)

AND is not available if:

- delinquent for payments prior to April 1, 2020
- delinquent for any reason other than from the results of CV-19
- homeowner is obligated to the city for liens or assessments or
- an IRS lien or judgment is active
- applicant has liquid assets exceeding \$4,000
- homeowner is in a forbearance agreement with their lender
- homeowner is in Lis Pendens pending foreclosure



MORTGAGE PAYMENT ASSISTANCE GRANT

◦ Priority Given

- first eligible–first served
- special needs households
- households at or below 50% AMI
- previously assisted purchase assistance recipients
- first mortgage lender demands payment

◦ Property

- must be located within the city's municipal boundaries
- occupied as the homeowner's principal homestead residence
- valued at less than 90% of the average sales price established within the Clearwater–Tampa–St. Petersburg geographic area (\$294,601)
- Constructed as a single–family residential dwelling unit
- does not include an auxiliary dwelling units even if classified SFR by Pinellas County Property Appraiser



MORTGAGE PAYMENT ASSISTANCE GRANT

◦ Application Documents

- Application signed by all adult household members to include
 - Social Security Number Collection Notice
 - Federal Misrepresentation Advisory
 - Public Records Disclosure
 - Authorization to Release Information
 - Budget Worksheet
 - Hardship Disclosure
- Evidence of CV-19 Impact
 - Unemployment Compensation approval
 - Medical confirmation
 - Termination letter
 - Verbal or written verification of employment
- Photo Identification for all adult household members
- Birth certificates for household occupants under 18
- Three months checking account statements and current savings
- Mortgage loan statement, account number and contact information
- Utility accounts statements
- Evidence of approval for Unemployment Compensation
- Other as necessary



MORTGAGE PAYMENT ASSISTANCE GRANT

◦ Closing Documentation

- Statement of Understanding including Duplication of Benefits
 - A legally binding document that references all rules and regulations that a person or parties must follow while initiating any kind of transaction or deal.
 - Duplication of Benefit Statement references subsequent Federal benefits or charitable donations received by a beneficiary recipient of SHIP and/or CDBG funds in connection with CV-19
- Self-Certification of zero income and questionnaire
- Income Certification
 - Anticipated or projected income based on third-party verification including accepted alternate documentation for employment, public assistance, Social Security, child support, military pay, VA benefits, unemployment, pension/annuity, self-employment, zero income and asset income.
- Award Letter
 - Defines amount and conditions of the Program Grant
- Income Contribution Form
 - Verification of income derived from contribution of family members or others who provide cash payment to the applicant's household
- Verifiable Self-Certification of Income
 - A beneficiary's affirmed statement of income at the time of assistance when standard method of third party verification cannot be documented



HOUSING and COMMUNITY DEVELOPMENT DEPARTMENT

MORTGAGE PAYMENT ASSISTANCE GRANT

THANK YOU

Linda Byars
Housing Finance Coordinator
(727) 892-5572
Visit us at:

www.stpete.org/housing



Intake

- Move quickly to accept applications before executive order ends
- Governor's Executive Order is still active
- The Presidential Proclamation dated March 13 (<https://www.whitehouse.gov/presidential-actions/proclamation-declaring-national-emergency-concerning-novel-coronavirus-disease-covid-19-outbreak/>) declared a national emergency and does not have an end date



Intake Considerations

- Determine when to open and close the application period based on funding
- Create file checklist with documents required: HANDOUT “Forms for COVID SHIP Rent Assistance”
 - Income Reduction Form
 - Monthly Income Verification Update for Disaster Assistance
 - SHIP Duplication of Benefits Disaster Assistance Agreement with Recipient
 - SHIP Disaster Program Intake Application



Before Providing Assistance: Technical Revision to SHIP Strategy (HANDOUT)

Replace 'Summary' of your Disaster Strategy:

SHIP disaster funds may be used for items such as, but not limited to:

- (f) **rental and utility** assistance for eligible applicants.
- (g) **mortgage and utility** payment assistance for eligible applicants.”

Recording with more guidance:

<https://vimeo.com/407646578>



Example of COVID SHIP Mortgage Assistance

PRESENTER:

Michael Puchalla,

Executive Director of

HELP (Housing, Education, Lending
Programs)

michael@collierhousing.com



Income Eligibility: Use 2020 Income Limits Chart

- 2020 SHIP Income & Rent Limits on FHFC website:

https://www.floridahousing.org/docs/default-source/developers-and-property-managers/ship-and-hhrp---2020-combined-income-and-rent-limits.pdf?sfvrsn=fb78fc7b_1

- Posted on 4/13/2020
- Use the new SHIP income limits chart for any applicant who has not yet signed an income certification form



Self-Certification may be used for SHIP COVID Emergency Assistance

- Self-Cert Form can expedite COVID-19 SHIP assistance
- Same policy as HOME Waiver from April 2020
- Permits self-certification of income **provided staff conducts income reviews within 90 days after the waiver period ends**
- SHIP & HOME waiver until December 31, 2020
 - **Collect income documentation by March 31, 2021**



Self-Certification Form for SHIP COVID Emergency Assistance

Therefore I certify my anticipated gross annual income

Under penalty of perjury, I certify that the information presented is true and correct. The undersigned further understand(s) that providing false or incomplete information may result in the termination of a loan or other financial assistance from the county or eligible municipality.

Signature of Applicant

Printed

FOR AN OATH OR AFFIRMATION:

STATE OF FLORIDA

COUNTY OF _____

Sworn to (or affirmed) and described before me this ____ day of _____

(NOTARY SEAL)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

- Self-Certification Form does NOT require a notary
INSTEAD
 - Housing staff may witness family signature(s)
 - Applicant may sign along with two witnesses
 - Inform SHIP emergency recipients of income verification to be collected later
- See updated handout***



A Fair Question: What if we assist someone who is not eligible?

- As in the past, pursue repayment
- COVID SHIP assistance may likely be offered as a grant, but attempt to collect repayment
- Local government would not be held responsible to repay the funds to FHFC
- Simply attempt to collect funds and document the file.



Another Option: Third Party Verification Provided by the Applicant

- Applicant-provided document defined in Section 5-13 of HUD Handbook 4350.3, Chapter 5
- This is considered third party verification
- Examples: Pay stubs, SSA retirement benefit letter, Unemployment benefit notices



MORE on Applicant Provided Document

- Documents dated within last 120 days
- Rent & Mortgage Assistance income eligibility may be based on pay stub verification
 - HUD Handbook: “Most recent 4 to 6 consecutive pay stubs”
 - Best Practice- use a specific time frame, like 1 month of paystubs



Go Fund Me is not an Asset

Go fund me ONLY converts to an asset if it is deposited into a checking or savings account

Alternatively, the applicant could spend all this money



Recently Unemployed Applicants

- Applicants do not know when or if they will be re-hired (temporary or permanent)
- Estimate 12 months of income based on current circumstances
- One household member is unemployed or under employed
- For self employed use a current profit and loss and compare to tax returns. Get a statement that the reduction of income is caused by COVID-19.



Some Benefits are NOT Counted as Income

- \$600 of weekly federal enhancement to unemployment insurance is NOT included in calculations of income.
- Stimulus checks not counted as income but if deposited in bank account are counted as assets
- One-time assistance from charitable contributions not counted as income



Forbearance Counseling

CARES Act Forbearance Rule

- Reduced or suspended payments shall be granted for up to 180 days
- Applies to loans from FHA, USDA, VA, Fannie, Freddie
- During forbearance, servicer cannot charge fees, penalties



Contracting with a Nonprofit for COVID Forbearance Counseling

Jeff Bagwell, Executive Director
Keystone Challenge Fund
in Polk County

jeff.bagwell@keystonechallenge.org



Counseling Agencies Can Help

- Help borrowers prepare: Interest continues to accrue
- Consider Options After Forbearance
- Best Practice: Work with a HUD approved housing counseling agency
<https://www.hud.gov/states/florida/homeownership/hsgcounseling>



SHIP Pays for Housing Counseling



- Pay counselors offering counseling, even if no direct payments provided to homeowners
- Does not have to be connected to a SHIP Strategy
- No LHAP revisions/additions needed to begin
 - Counseling permitted in LHAP Section K ‘Support Services and Counseling’: “May include but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling”



Counseling Activities

Possible Actions to List in “Scope of Work”

- Homeowner Hotline: answer initial questions
- Offer one on one counseling by phone or remote meeting platform
- Provide online forbearance classes
- Full SHIP Files do NOT have to be collected



Limit to SHIP Housing Counseling

Limited by the Income Set-aside

100% Allocation and Program Income

- 60% Income Set aside
- 10% Admin

**30% available for
Housing Counseling**



Help Homeowners Consider Options after Forbearance

Recording <https://vimeo.com/407646578>

Pay the suspended payments all at once

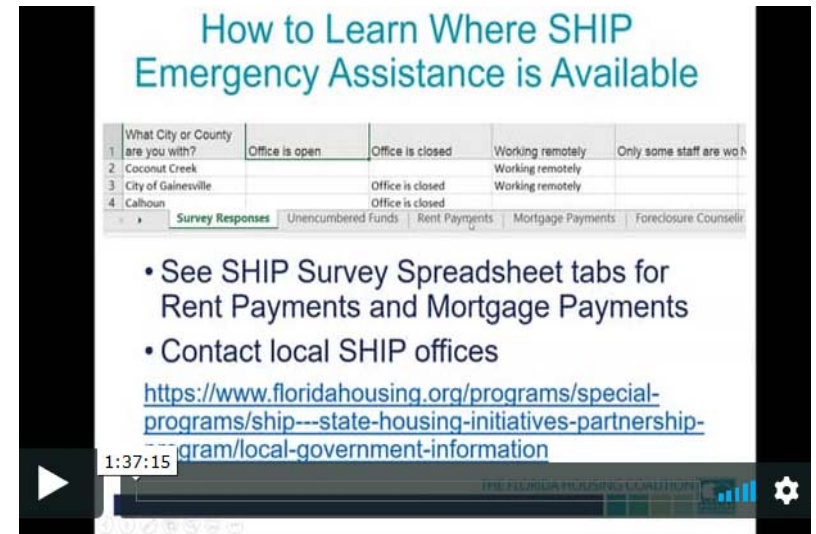
Repayment Plan- Pay over short time

Partial Claim *For FHA Loans only*

Extend Modification Add missed payments to end of loan

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

Flex Mod- Lower interest rate, extend term to lower payments



Providing Assistance

Award Letter/Written Agreement

- State that monthly assistance will be provided if funds are available and/or until the end of the executive order



Process for Paying Mortgage Company and Utility Company

- Track monthly payment for both mortgage and utilities on a spreadsheet
- When making monthly payments, avoid accidentally exceeding maximum award
- Final payment may not be full mortgage or utility payment



Collect a W-9 Form

Cities and counties paying money to Lenders and Utility Companies need identification information to notify the IRS of the amount.

- Finance Departments may require W-9
- Not a SHIP requirement

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	

Can you pay three months of mortgage ahead of time?

- No, determine continued eligibility each month before paying an additional mortgage payment
- Income Certification confirms eligibility for up to one year
- Monthly eligibility updates do not involve collecting documents UNLESS household income has changed
- SHIP Office updated on the status of household income on a monthly basis.
 - Phone call, e-mail, document file



Administrative Topics

Follow the Income Set-Aside

- 30% of all SHIP funds for Very Low (50% AMI)
- 60% Very Low and Low (up to 80% AMI) - *includes 30% VLI above*
- Spend the Remainder for households up to 140% AMI



File Documentation

- Income Reduction Form: document mortgage assistance need
- SHIP Agreement with Applicant: Duplication of Benefits (HANDOUT)
- Copy of recent Monthly Statement with Mortgage Company address/contact information
- Utility bill with account number



Duplication of Benefits

- Document all sources of emergency assistance that an applicant receives
- Identify each source that paid mortgage payments
- SHIP Agreement with Applicant regarding Duplication of Benefits



Contracting Out Work

- Follow local Procurement Policy

Opportunity to Expedite:

- Do you have an existing contract for Purchase Assistance or Foreclosure Prevention?
- Work with local procurement officer: amend contract to add COVID-19 mortgage assistance



Sub-recipient Agreement

- Sample agreement with a sub-recipient to provide mortgage assistance (HANDOUT)
- Possible activities for Scope of Work
 - Pay mortgage
 - Pay utilities
 - Homeowner hotline
 - One-on-one forbearance counseling sessions
- Sub-recipient receives Service Delivery Fee
- Attachments include sample forms- request for payment, progress report, projected accomplishments



Sub-recipient receives Service Delivery Fee

Administrative Activities should be paid from SHIP Administrative Activities:

- Outreach and Pre-Screening
- Applications and Eligibility Determination
- Reporting assistance provided
- Overhead, office space, utilities, copier/computers, etc.

Possible Project Delivery Costs

- Housing Counseling
- What else?



Reporting Disaster Assistance

- Homeownership Disaster Assistance Code 5
- Add each recipient to SHIPDATA Spreadsheet, Funding Type: Grant

	A	B	C	D	E	F
1						
2	Local Government:					Close
3						
4	Applicant Information					
	First Name	Last Name	Street Address	City	Zip	City/ Unincorpora
5						
6						

Funding Information							
Local Strategy Name	Strategy Code	Meets 75% Set- aside	SHIP Funding Amount	Funding Status	Funding Type	Funding Year	Unit Counted In Another Year

Resources

HANDOUT: Mortgage Relief Guide from the Consumer Financial Protection Bureau

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

- Combines information from all government entities

<https://sf.freddiemac.com/ceros/sustaining-homeownership-in-a-crisis-an-interactive-guide-for-homeowners.aspx>

- An interactive guide that provides step-by-step information to borrowers to understand what their rights and options are under the CARES Act

THE FLORIDA HOUSING COALITION



Resource: COVID-19 SHIP Frequently Asked Questions

New Content on Topics Including:

- File Documentation
- Technical Revisions
- Rental Assistance
- Mortgage Assistance
- Foreclosure Counseling
- Reporting COVID SHIP Assistance

FAQ File Documentation Question

Q: Please comment on the documents I want to collect for my SHIP file:

Verifications- Do we need to make three attempts to the third party for verifications? We figured it would be best to do this up front instead of after the fact as this documentation would be needed anyway. A: Not necessarily. You can collect 'applicant-provided documents' as third-party verification. Instead of collecting a VOE, for example, you could collect pay stubs. Applicant-provided documents are items dated within the last 120 days like pay stubs, retirement benefit letters, bank account monthly statements, and unemployment benefit notices. For several years now, applicant-provided documents have been defined in Section 5-13 of HUD Handbook 4350.3, Chapter 5, and are considered third-party verification. Income eligibility for COVID-19 SHIP rent and mortgage assistance may be based on pay stubs and other applicant-provided verifications.

Residential Income Certification (RIC)- The RIC would be based on current income? A: Yes. Although we suggest collecting information of the applicant's "pre-COVID" income as part of prioritizing applications, but the RIC is based on current circumstances, which might include underemployment or unemployment. You must also attempt to collect something in writing to document the current underemployment or unemployment.

Verification of Employment (VOE) - Can this be done by phone? A: Yes, the HUD Handbook 4350.3 allows for verbal verifications of income and assets. You must document the company, who you spoke with, their title, the date time and the information provided, your name and title. You can also use mail, e-mail, and scanned documents that can be e-mailed.

Verification of Deposits (VODs) plus 2 months of bank statements - The VOD may be the hardest to obtain. A: To verify bank accounts, you must either obtain a verification of deposit OR 6 months of bank statements that you can obtain from the applicant.



Questions & Evaluation

