

**Questions and Answer Webinar CRF # 3 Key Partners – Continuum of Care and More  
August 5, 2020**

**Q. Can I use CRF funds to provide mortgage assistance when, as is usually the case, the mortgage payment includes (PITI) principal, interest, taxes, and insurance, meaning a small portion of the payment is for escrowed property taxes?**

A. Yes, if the homeowner is in default on the mortgage. Homeowners applying for assistance are unable to make mortgage payments due to COVID-19 hardship and are often in default. In such cases, the mortgage payment—even if it includes escrowed property taxes—can be paid with CRF funds. Any mortgage in default for failure to make payment is in danger of foreclosure and paying escrowed property taxes is a permissible CRF payment according to US Treasury exception made in the case of assistance designed to prevent foreclosures. It is anticipated that most applicants will be in default, so call this CRF assistance a foreclosure prevention strategy.

**Q. My applicant cannot locate the notice of default she received from her lender. Is there any other way to document that a homeowner is in default of paying a mortgage?**

A. Collect the most recent mortgage statement, which will indicate that one or more mortgage payments are past due and the homeowner is in default.

**Q. We will pay the full PITI for a homeowner's mortgage payments in arrears. Can we do this same if we help such a household with future payments?**

A. Yes. You may decide to pay future mortgage payments through December using a foreclosure prevention strategy. If the applicant is in default, you are allowed to pay the full PITI of the mortgage payment. Since you are paying all at once for past due and future payments, pay the full PITI in every payment. The file for a foreclosure prevention assistance case like this will include some proof of default. That is all that is required to justify paying the full PITI.

**Q. Can we pay for the months covered during the forbearance period so that they do not have to repay it when forbearance period ends?**

A. Yes. Such a homeowner coming off of a forbearance period will not be in default, so you can pay all the mortgage payment except for any escrowed property taxes through December 30, 2020.

**Q. If a sub-grantee decided to distribute the CRF Funds to one or more of the Partners in your slide. Can the City or County expend their funds that way.**

A. You can enter into CRF sub-grantee agreements with more than 1 partner. If the agreement is to provide services eligible under your subrecipient agreement FHFC, it is eligible.

**Q. If another county department is doing part of the work, is that department considered a sub-recipient?**

A. No.

**Q. Are STAFF MEMBERS and/or BOCC MEMBERS who own rental units (landlords) allowed to refer their tenants to this program and in turn able to receive CRF rent funds in cases where tenants with COVID hardships are behind in their rent?**

A. You must follow your established Conflict of Interest policy.

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**Q. A previous FAQ stated that no monthly updates are necessary with CRF. Is this still the case? When utilizing COVID Disaster funds, we do need to follow up monthly, correct?**

A. You are not required to do monthly updates with CRF funds. This is a local decision. For SHIP disaster funds you should continue to do the monthly updates.

**Q. My client cannot locate his children's birth certificates, is there another document that will suffice?**

A. Yes, you can use social security cards, school records, passports or any form of legal ID.

**Q. My client that received SBA funding in the amount of \$30,000.00, deposited it into their checking account, but hasn't touched it and hope not to have to. Applicant has found employment and plans to keep his business as fill in money once season returns. So, when you say that it should probably be counted, what would it be counted as income?**

A. An SBA business loan is not included as income, except any portion the recipient of the loan uses to pay their own salary.

**Q. The RIC has space for household signatures. I thought from the webinars and FAQs that their signatures were not required, only Staff.**

A. The signatures of household members are not required, but there are local government that want to include the signatures of HH members on the form. This is a local decision. If you will not require the signatures you can delete this section of the RIC.

**Q. Is there a drop down on the new data entry sheet we received where we input project delivery costs?**

A. No. If you are including it as part of the award, you should include it in the column for total CRF award.

**Q. What happens when a portfolio property does not apply for CARES act funding? Can we assist them?**

A. You can, but all eligible properties should be applying for CARES Act funds through FHFC. You want to make sure that there is no duplication of benefits and should focus on serving those households that do not have other resources for assistance.

**Q. If we are helping with mortgage assistance and decided to pay the monthly mortgage payment through the end of the year, how do we ensure that the mortgage company does not apply this to the principal and holds it as a credit to be deducted monthly?**

A. When you make the payment, you need to advise the mortgage company that it should not be applied to principal, that is must be applied to future mortgage payments.