



Emergency Homeowners' Loan Program Appeals Manual and Process Procedures

(Version 2: Income Changes and Hardship Waivers)

**Emergency Homeowners' Loan Program
Appeals Manual and Process Procedures**

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Overview of Appeals Process

This manual provides all the information needed to understand and file an eligibility appeal under the U.S. Department of Housing and Urban Development's (HUD) Emergency Homeowners' Loan Program (EHLPP). The manual provides a clear and detailed explanation of the process for appealing EHLPP eligibility determinations. This manual serves as the primary source of reference for the appeals processes under EHLPP that will be undertaken by NeighborWorks America. There are three versions of the EHLPP Appeals and Process Manual: (1) The Pre-Applicant Initial Eligibility Appeal, (2) The EHLPP Income Adjustments and Hardship Waivers Appeal, (3) The EHLPP Borrowers Recertification Eligibility Appeal (not yet released).

This is version 2 of the Appeals Manual, focused on Income Adjustment and Hardship Waiver Appeals. Version 2 serves as the final appeals guidelines for Income Adjustments and Hardship Waiver appeals.

An electronic copy of Version 2 is available on www.findehlp.org. Version 3, Borrowers Recertification Eligibility Appeal, will be released at a later date.

This Overview provides a summary of the appeals process; the subsequent sections provide additional detail.

Appeals of Hardship Waivers

Borrowers with particular financial constraints are eligible for a Hardship Waiver. Borrowers who apply and are approved for the EHLPP Hardship Waiver are eligible for a reduced Homeowner Contribution Payment (HCP) amount equal to the greater of \$25 or 31 percent of the Borrower's currently monthly income. Income includes the income of all Co-Borrowers, if any. An application for a Hardship Waiver may take place any time during the two-year assistance period, as long as Borrowers meet certain criteria. For more information, see the *Hardship Waiver-Criteria and Documentation Required for EHLPP Hardship Waiver* section of this manual.

Appeals of Decrease in Borrower's Monthly Income

Borrowers with a decrease in income may qualify for a reduced HCP, as determined by their Counseling Agency. If a Borrower's current combined monthly income (includes the income of all Co-Borrowers, if any) has decreased by at least 20 percent, the Borrower may be eligible for an increase in the Borrower's monthly EHLPP Assistance. A request for an adjustment based on a decrease in income can be requested any time during the two-year assistance period. Once a Borrower has had his/her HCP reduced because of a decrease in combined monthly income, the Borrower is only eligible for an additional income-based HCP reduction if the Borrower's further reduced income has been sustained for a period of at least 90 consecutive calendar days from the date of the last income-based HCP reduction. For more information, see the *Income Adjustments- Criteria and Documentation Required for Income Based Homeowner Contribution Payment Reductions* section of this manual.

Appeals of Mandatory Reporting Requirement

Borrowers are required to report certain increases in monthly income. If a Borrower's monthly income has increased above the Mandatory Reporting Amount AND the Borrower's monthly income has met or exceeded the Mandatory Reporting Amount for 90 consecutive calendar days after closing on the EHLPP Loan. Borrowers must report the increase prior to making the Borrower's next HCP due to HUD. A Borrower's Mandatory Reporting Amount is provided in the Borrower's Loan Description Acknowledgment at Section 5, and is available to the Counseling Agency for reference via HOPE LoanPort. Failure to report such an increase prior to making the Borrower's next HCP due to HUD constitutes a false certification, and is also an event of default under the terms the Borrower's EHLPP loan. For more information, see the *Income Adjustments- Criteria and Documentation Required for Mandatory Reporting of Income Increases* section of this manual.

The information a Borrower must provide a Counseling Agency to be considered Income Adjustments and Hardship Waivers are outlined in this manual. Once all the required documentation has been provided, the Counseling Agency will review the documentation and follow the procedures for calculating a Borrower's HCP or eligibility for a Hardship Waiver.

Should the Counseling Agency determine that a Borrower's request does not meet all of the required eligibility criteria; the Counseling Agency will formally notify the Borrower of their ineligibility. If a Borrower disagrees with this ineligibility decision or disagrees with the HCP calculation made by the Counseling Agency, the borrower has the right to appeal this decision to NeighborWorks America.

Appeals Process and Procedures

The appeal is conducted outside the Counseling Agency by external reviewers and staff at NeighborWorks America. Borrowers who want to appeal must submit copies of their required documentation directly to NeighborWorks America, postmarked within ten (10) calendar days of the notification letter received from the Counseling Agency.

All appeal packages shall be sent to:

**NeighborWorks America
ATTN: EHELP Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 20005**

Appeal packages that do not meet the specifications described under the guidelines of this manual will not be eligible for review by NeighborWorks America. They will be returned by NeighborWorks America to the Borrower along with a written notification that the Borrower's appeal will not be reviewed and that the Counseling Agency's decision is final. NeighborWorks America will electronically notify, via email, the EHELP Counseling Agency, and if applicable the direct Grantee, of the final determination.

If NeighborWorks America determines that a Borrower's appeal package meets the standards described under these guidelines, the Borrower's materials will be reviewed to determine whether the Counseling Agency made an error in evaluating the documentation.

NeighborWorks America will transmit written notification of its determination to the Borrower via overnight mail delivery service. Each response will include NeighborWorks America's finding as well as the reason(s) supporting the determination.

If it is determined by NeighborWorks America that the Counseling Agency erred, NeighborWorks America will instruct the Counseling Agency if further action is required. If NeighborWorks America determines that the Counseling Agency did not err, NeighborWorks America will send written notification to the Borrower and an electronic copy of the notification to both the EHELP Counseling Agency and direct Grantee, as applicable.

NeighborWorks America will send an electronic notification of all final appeal determinations to the EHELP Counseling Agency and direct Grantee, as applicable. EHELP Grantees are responsible for ensuring that their Sub-grantees take the appropriate follow-up action in a timely manner as directed by NeighborWorks America.

NeighborWorks America's decision concerning each Borrower's appeal is **final**¹. No further review of the Borrower's request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHELP assistance are required to pay their monthly contribution payment as reflected on their EHELP statement. The HCP calculation determined by the Counseling Agency **can take up to 90 days for your statement to reflect any new payment amount.**

¹ In some cases, a Borrower may re-apply for an Income Adjustment or Hardship Waiver eligibility with their Counseling Agency. Information about this process can be found in the EHELP Counseling Agency Roles and Responsibilities Post-Approval Guidelines <http://ehlp.nw.org/ehlp counselors.asp>

Hardship Waiver- Criteria and Documentation Required for EHL P Hardship Waiver

Some EHL P Borrowers may be eligible for a Hardship Waiver (HUD EHL P Hardship Waiver Affidavit form Appendix B). A Hardship Waiver reduces the Homeowner Contribution Payment (HCP) to the greater of \$25 or 31% of the Borrower's current monthly income. Monthly income also includes the income of all Co-Borrowers, if any.

Hardship Waiver Eligibility

To apply for the Hardship Waiver, the Borrower must meet certain criteria. The criteria are:

- **Currently have a Homeowner Contribution Payment that is \$150.** Borrowers with a HCP greater than \$150 are not eligible for a Hardship Waiver
- **Must participate in 5b –Post EHL P Approval Counseling with their Counseling Agency.** Borrowers who do not participate in a 5b counseling session are not eligible for a Hardship Waiver

In addition, the Borrower must also show that one of following conditions currently exists:

- **Unemployment benefits have expired**
- **Sustained self employment income reduction.** This is limited to Borrowers and any Co-Borrowers who initially qualified for EHL P Emergency Assistance based on a reduction in **self-employment** income, and who have not received unemployment benefits. The initial reduction in self-employment income that the Borrower and any Co-Borrowers reported at the time of application must have been sustained for 12 consecutive months. The 12 month calculation begins with the date the Borrower and any Co-Borrowers first experienced the unemployment or underemployment as stated in their EHL P application Unemployment Affidavit.
- **Increase in out-of-pocket medical expenses.** This is limited to Borrower households that have out of pocket medical expenses of at least \$125 per month for a minimum of three consecutive months due to a medical emergency experience by the Borrower or any Co-Borrowers, his or her spouse, and/or one or more of his or her dependents.

Hardship Waiver Documentation

The Borrower is required to provide certain documentation to their Counseling Agency that clearly demonstrates that one of the three conditions exists. The Borrower's request for a Hardship Waiver cannot be processed without this documentation.

Expired Unemployment Benefits Documentation

- A copy of the written notice from the applicable state agency indicating that the unemployment benefits have been exhausted or have expired.
- Signed Hardship Waiver Affidavit found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

Sustained Self Employment Income Reduction Documentation²

- Signed Hardship Waiver Affidavit that includes the sustained self-employment clause found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

Increase in Out-of-Pocket Medical Expenses Documentation (All that apply)

- Payment stubs, canceled checks, or money order receipts from the health insurance provider (e.g. Blue Cross, Blue Shield, AARP)
- Hospital and/or doctor bills for 3 months prior to the application for a Hardship Waiver
- Copies of any payment Affidavit with the medical expenses clause found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

² This appeal may require additional documentation from the Counseling Agency as requested by NeighborWorks America.

Evaluation of Hardship Waiver Applications

All Hardship Waiver applications are to be first evaluated by the Counseling Agency. Evaluation can take place any time after a borrower has closed on their loan to receive EHELP assistance. Borrowers must receive 5b-Post Loan Approval Counseling from their Counseling Agency in order to apply for the hardship waiver. The Counseling Agency will provide written notification to the Borrower regarding the outcome of the evaluation of the Hardship Waiver application. This notification will include information about the right to appeal the decision.

Counseling Agency Appeal Process Responsibilities

The Counseling Agency will review the documentation submitted by the Borrower to determine if they are eligible for a Hardship Waiver. If the Counseling Agency determines that the Borrower is eligible for a Hardship Waiver, the Counseling Agency must do the following:

- Provide written notification to the Borrower, sent via US post mail or email, informing them of decision regarding the Hardship Waiver using the *Income Adjustment/Hardship Waiver –Calculation of Income Template (found in Appendix A)*. The letter must reference link to the *Change in Emergency Assistance Appeal Request Form (found in Appendix C)* **OR** the *Emergency Homeowner’s Loan Program Appeals Manual and Process Procedures* found at www.findehlp.org.
- Submit *Hardship Waiver Affidavit* and supporting documentation to the HUD Fiscal Agent via HOPE LoanPort for further processing
- Return to Borrower all original supporting Hardship Waiver eligibility documents. *Counseling Agency must upload all documents into HOPE LoanPort. See listed Hardship waiver documentation of this manual*

If the Counseling Agency determines that the Borrower is ineligible for a Hardship Waiver, the Counseling Agency must do the following:

- Send *Hardship Waiver Ineligibility Notification Letter* sent via US postal mail or email (*found in Appendix A*). Ineligibility letter must reference link to the *Change in Emergency Assistance Appeal Request Form (found in Appendix C)* **OR** the *Emergency Homeowner’s Loan Program Appeals Manual and Process Procedures* found at www.findehlp.org.
- Return to Borrower all original supporting Hardship Waiver eligibility documents. *Counseling Agency must upload all documents into HOPE LoanPort. See listed Hardship waiver documentation of this manual*

Borrower Appeal Process Responsibilities

If the Borrower believes that the Hardship Waiver application determination was made in error by their Counseling Agency, the Borrower may request that NeighborWorks America reconsider the Hardship Waiver determination. To request an appeal, the Borrower must provide the documentation listed below to NeighborWorks America. All documentation must be included for the appeal to be reviewed.

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the Hardship Waiver Ineligibility Notification. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
ATTN: EHELP Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 20005

Appeal Package Content: Appeal packages submitted by Borrowers to NeighborWorks America must contain the following:

- *Ineligibility Letter* sent by Counseling Agency.
- Complete the *Change in Emergency Assistance Appeal Request Form* and the applicable *Hardship Waiver Affidavit Form* found in the *Appeals Manual and Process Procedures (Appendix C)* available on www.findehlp.org.

- If the Hardship Waiver Request is due to **Expiration of Unemployment Benefits**, the following must be included in the appeal:
 - Signed Hardship Waiver Affidavit
 - A copy of the written notice from the applicable state agency indicating that the unemployment benefits have been exhausted or have expired
- If the Hardship Waiver Request is due to **Sustained Self Employment**³ Income Reduction Documentation, the following must be included in the appeal:
 - Signed Hardship Waiver Affidavit that includes self employment clause
- If the Hardship Waiver Request is due to **Increased Medical Expenses**, the following must be included in the appeal:
 - Signed Hardship Waiver Affidavit with the medical expenses clause
 - Payment stubs, canceled checks, or money order receipts from the health insurance provider
 - Hospital and/or doctor bills for 3 months prior to the application for a Hardship Waiver
 - Copies of any payment agreements for related medical bills that have not yet been paid

NeighborWorks America Determinations and Findings

Hardship Waiver appeal packages that do not meet the specifications described under these guidelines will not be eligible for review by NeighborWorks America. They will be returned by NeighborWorks America to the Borrower along with a written notification that the Borrower has been determined to be ineligible for a Hardship Waiver. NeighborWorks America will electronically notify, via email, the EHELP Counseling Agency, and if applicable the direct Grantee, of the final determination.

If NeighborWorks America determines that a Borrower's Hardship Waiver appeal package meets the standards described under these guidelines, the Borrower's materials will be reviewed to determine whether the Counseling Agency made an error in evaluating the documentation, and whether the Borrower is eligible for a Hardship Waiver.

NeighborWorks America will transmit written notification of its determination to the Borrower via overnight mail delivery service. Each response will include NeighborWorks America's finding as well as the reason(s) supporting the determination.

If it is determined by NeighborWorks America that the Counseling Agency erred and the Borrower is eligible for a Hardship Waiver, NeighborWorks America will instruct the Counseling Agency to continue processing the Borrower's hardship waiver by submitting the Borrower's affidavit and supporting documentation (if applicable) to the HUD Fiscal Agent via HOPE LoanPort. If NeighborWorks America determines that the Counseling Agency did not err and the Borrower is ineligible for a Hardship Waiver, NeighborWorks America will send written notification to the Borrower and an electronic copy of the notification to both the EHELP Counseling Agency and direct Grantee, as applicable.

NeighborWorks America will send an electronic notification of all final appeal determinations to the EHELP Counseling Agency and direct Grantee, as applicable. EHELP Grantees are responsible for ensuring that their Sub-grantees take the appropriate follow-up action in a timely manner as directed by NeighborWorks America.

NeighborWorks America's decision concerning each Borrower's appeal is **final**⁴. No further review of the Borrower's request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHELP assistance are required to pay their monthly contribution payment as reflected on their EHELP statement. The HCP calculation determined by the Counseling Agency **can take up to 90 days for the EHELP statement to reflect any new payment amount.**

³This appeal may require additional documentation from the Counseling Agency as requested by NeighborWorks America.

⁴ In some cases, a Borrower may re-apply for Hardship Waiver eligibility with their Counseling Agency. Information about this process can be found in the EHELP Counseling Agency Roles and Responsibilities Post-Approval Guidelines <http://ehlp.nw.org/ehlp counselors.asp>

Income Adjustments- Criteria and Documentation Required for Income Based Homeowner Contribution Payment Reductions

Although income reductions are not required to be reported, some EHLB Borrowers may be eligible for a reduction in their HCP. If a borrower has had a sustained income reduction and doesn't qualify for a Hardship Waiver, they can apply to their Counseling Agency for a reduction in their HCP. If granted, the Borrower's HCP would be reduced to 31% of their current monthly income. Income includes the income of all Co-Borrowers, if any.

Income Adjustment Based Homeowner Contribution Payment Reduction Eligibility

- Only Borrowers with a current HCP greater than \$150 are eligible. (If the Borrower has received a Hardship Waiver in the past, then the current HCP must be greater than \$25.)
- Borrower and any Co-Borrowers' current combined monthly income must have **decreased** by at least 20% from the income amount at the time of assistance approval

Eligibility Criteria for Subsequent Income Adjustment Based Homeowner Contribution Payment Reductions

Once a Borrower has had his/her HCP reduced because of a decrease in combined monthly income, that Borrower is only eligible for additional income-based HCP reductions if the Borrower's further reduced income has been sustained for a period of at least 90 consecutive calendar days from the date of the Borrower's last income-based HCP reduction. Additional income-based HCP reductions are subject to the same 20% income decrease threshold as the first reduction.

Documentation for an Income Adjustment Based Homeowner Contribution Payment Reduction

The Borrower must provide the following documentation to their Counseling Agency for review. Without the complete documentation for the Borrower and the Co-Borrower, the review cannot be performed and the borrower will be determined ineligible.

- **Tax Returns:** Copy of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year (if any). Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement.
- **Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 consecutive weeks (if any)
- **Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 consecutive weeks (if any)
- **Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month or last 4 consecutive weeks (if any)
- **Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions/annuities/retirement plans from the most recent month or last 4 consecutive weeks (if any)
- **Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from most recent month or last 4 consecutive weeks (if any)
- Completed and signed **Assistance Modification Affidavit** found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org

Evaluation of an Income Adjustment Based Homeowner Contribution Payment Reduction

All Income Adjustment Based HCP Reduction requests are to be first evaluated by the Counseling Agency. Evaluation can take place any time after a borrower has closed on their loan to receive EHLB assistance. The Counseling Agency will use financial documentation provided by the Borrower to evaluate the income adjustment HCP against the financial documentation information provided by the borrower in their original Pre-Application. The Counseling Agency will provide written notification to the Borrower regarding the outcome of the evaluation of the Income Adjustment HCP Reduction request. This notification will include information about the right to appeal the determination.

HUD will provide written notification of changes in a Borrower's EHLA Emergency Assistance, including changes to the Borrower's HCP, directly to the Borrower, with electronic copies available for reference via HLP. The Borrower's monthly EHLA billing statement will also reflect any change to Borrower's HCP.

Counseling Agency Appeal Process Responsibilities

Once the Counseling Agency has determined the revised Income Adjustment HCP based on the documentation provided, they must do the following:

- Provide written notification to the Borrower, sent via US postal mail or email, informing them of their new HCP amount using *the Income Adjustment/Hardship Waiver – New Calculation of Income* **OR** *Income Adjustment Denial Letter Template* found in (Appendix A). The letter must reference link to the *Change in Emergency Assistance Appeal Request Form* **OR** the Emergency Homeowners' Loan Program Appeals Manual and Process Procedures (Appendix C) available at www.findehlp.org.
- Counseling Agency must upload all income documents provided by the Borrower and any Co-Borrowers into HOPE LoanPort. Reference the Documentation for an *Income Adjustment Based Homeowner Contribution Payment Reduction* section of this manual
- Return to the Borrower all original supporting documents used to make the income adjustment determination, including but not limited to: income tax returns, pay stubs, bank statements or other forms of income documentation or verification. (Counseling Agency must retain copies in HOPE LoanPort)

Appeal Process Responsibilities

If the Borrower believes that their income adjustment calculation for their HCP was made in error by their Counseling Agency, the Borrower may request that NeighborWorks America reconsider the determination. To request an appeal, the Borrower must provide the documentation listed below to NeighborWorks America. All documentation must be included for the appeal to be reviewed.

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the Counseling Agency notification letter. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
ATTN: EHLA Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington, DC 20005

Borrower Appeal Package Content: Appeal packages submitted by Borrowers to NeighborWorks America must contain the following:

- *Income Adjustment/Hardship Waiver – New Calculation of Income* **OR** *Income Adjustment Denial Letter Template* Letter sent by Counseling Agency
- Complete the *Change in Emergency Assistance Appeal Request Form* found in the Appeals Manual and Process Procedures (Appendix C) available on www.findehlp.org.
- Copies of all income documentation returned by the Counseling Agency:
 - **Tax Returns:** Copy of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year (if any). Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement.
 - **Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 consecutive weeks (if any)
 - **Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 consecutive weeks (if any)
 - **Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month

or last 4 consecutive weeks (if any)

- **Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions/annuities/retirement plans from the most recent month or last 4 consecutive weeks (if any)
- **Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from most recent month or last 4 consecutive weeks (if any)
- Completed and signed **Assistance Modification Affidavit** found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

NeighborWorks America Determinations and Findings

Income Adjustment appeal packages that do not meet the specifications described under these guidelines will not be eligible for review by NeighborWorks America. They will be returned by NeighborWorks America to the Borrower along with a written notification that the Borrower has been determined to be ineligible for an appeal review. NeighborWorks America will electronically notify, via email, the EHLA Counseling Agency, and if applicable the direct Grantee, of the final determination.

If NeighborWorks America determines that a Borrower's income adjustment appeal package meets the standards described under these guidelines, the Borrower's materials will be reviewed to determine whether the Counseling Agency made an error in evaluating the submitted income documentation.

NeighborWorks America will transmit written notification of its determination to the Borrower via overnight mail delivery service. Each response will include NeighborWorks America's finding as well as the reason(s) supporting the determination.

If it is determined by NeighborWorks America that the Counseling Agency's calculation of the Borrower's income adjustment is in error, and that the Borrower's HCP should be reduced, no further action will be required by the Counseling Agency to submit to the HUD Fiscal Agent. However, in some cases the Counseling Agency may be asked by NeighborWorks America to upload additional documentation provided by the Borrower. NeighborWorks America will inform HOPE LoanPort of the amended HCP, the Counseling Agency and the Borrower in writing. If NeighborWorks America determines that Counseling Agency did not err, the HCP calculated by the Counseling Agency will remain in effect. NeighborWorks America will send written notification to the Borrower and an electronic copy of the notification to both the EHLA Counseling Agency and direct Grantee, as applicable.

NeighborWorks America will send an electronic notification of all final appeal determinations to the EHLA Counseling Agency and direct Grantee, as applicable. EHLA Grantees are responsible for ensuring that their Sub-grantees take the appropriate follow-up action in a timely manner as directed by NeighborWorks America.

NeighborWorks America's decision concerning each Borrower's appeal is **final**. No further review of the Borrower's request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHLA assistance are required to pay their monthly contribution payment as reflected on their EHLA statement. The HCP calculation determined by the Counseling Agency **can take up to 90 days the EHLA statement to reflect any new payment amount**. Borrowers may re-apply for another income adjustment with their Counseling Agency after 90 days of the last reported change submitted to HUD's Fiscal Agent. Please see the **Eligibility Criteria for Subsequent Income Adjustment Based Homeowner Contribution Payment Reductions** section of this manual.

Income Adjustment- Criteria and Documentation Required for Mandatory Reporting of Income Increases

Each Borrower has a **Mandatory Reporting Amount** as described in the Borrower's Loan Description Acknowledgment at Section 5 and explained by the Counseling Agency in the 5b counseling session. The Borrower's Mandatory Reporting Amount is determined by HUD. Income includes the Borrower's monthly income and the monthly income of all Co-Borrowers, if any.

The Mandatory Reporting Amount is the lesser of:

- Borrower's Financial Resources at Approval plus \$750 dollars
- The monthly income where 31% of that income is greater than the Borrower's 1st lien monthly mortgage payment

The Borrower is required to report income changes that meet or exceed this amount and last more than 90 consecutive days before making their next HCP.

Failure to report income increases at or above the Mandatory Reporting Amount prior to making the Borrower's next HCP to HUD is considered a false certification and a default of the EHLF loan.

Each EHLF monthly billing statement includes the following certification:

"By submitting the homeowner contribution payment due under this billing statement, you are certifying that: (1) you continue to occupy the property securing your EHLF mortgage/deed of trust as your principal residence; and (2) your current income (the income of all persons listed on your 1st lien mortgage loan documents) does not require you to report a change in income to your Designated Housing Counselor."

Requirements for Mandatory Reporting of Income

The Borrower must report income increases that meet both of the following conditions:

- The amount of the Borrower's monthly income has increased above the Mandatory Reporting Amount
- The Borrower's monthly income has met or exceeded the Mandatory Reporting Amount for 90 consecutive calendar days

Documentation for Mandatory Reporting of Income

In order to complete the mandatory reporting of income, the Borrower must provide certain documentation to their Counseling Agency. If the documentation is not complete, it may be considered that the mandatory reporting requirement has not been met, and therefore a review cannot be performed.

- **Tax Returns:** Copy of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year (if any). Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement.
- **Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 consecutive weeks (if any)
- **Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 consecutive weeks (if any)
- **Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month or last 4 consecutive weeks (if any)
- **Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions/annuities/retirement plans from the most recent month or last 4 consecutive weeks (if any)
- **Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from most recent month or last 4 consecutive weeks (if any)
- Completed and signed **Assistance Modification Affidavit** found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

Evaluation of Mandatory Reporting of Income

All Mandatory Reporting of Income requests are to be first evaluated by the Counseling Agency. The Counseling Agency will use financial documentation provided by the Borrower to evaluate the income adjustment HCP. The Counseling Agency will provide written notification to the Borrower regarding the outcome of the evaluation of the Mandatory Reporting of Income request. This notification will include information about the right to appeal the determination.

Determination of Future Assistance

The Borrower's future monthly EHLPEmergency Assistance is based on the Counseling Agency's calculation of the Borrower's increased monthly income. An increase in monthly income may result in the Borrower paying a higher HCP or the Borrower's EHLPEmergency assistance being terminated for meeting or exceeding the Mandatory Reporting Amount.

If the Borrower's increased income causes the mortgage payment to be 31% or less of their total monthly income, the Counseling Agency will report the Borrower's increased monthly income amount to HUD's Fiscal Agent through HOPE LoanPort, along with copies of all required documentation. The Counseling Agency will provide written notification to the Borrower regarding the outcome of the increased monthly Income Adjustment evaluation. This notification will include information about the right to appeal the decision to NeighborWorks America.

Once the increased monthly income amount has been reported to HUD's Fiscal Agent, if the increase results in the Borrower's assistance being terminated, the Fiscal Agent will initiate the phase-out or termination process of the Borrower's EHLPEmergency Assistance. Generally, Borrowers who properly report their currently monthly income meets or exceeds the Mandatory Reporting Amount for 90 consecutive days will be eligible for 1-to-2 months of "transition period" EHLPEmergency Assistance following the Borrower's reporting of the income increase to their Counseling Agency.⁵ HUD will provide written notification of the termination of a Borrower's EHLPEmergency Assistance directly to the Borrower, with electronic copies of each notice available to the Counseling Agency via HOPE LoanPort.

If the Borrower's increased monthly income, as reported by the Counseling Agency, meets or exceeds the Borrower's Mandatory Reporting Amount, but is less than the amount that triggers termination of the Borrower's Emergency Assistance, the Borrower will continue to receive EHLPEmergency Assistance. In such cases, the HUD Fiscal Agent will compute the Borrower's monthly EHLPEmergency Assistance based on the Borrower's newly reported monthly income. HUD will provide written notification of changes in a Borrower's EHLPEmergency Assistance, including changes to the Borrower's HCP, directly to the Borrower, with electronic copies of each notice available to the CA via HLP. The

Borrower's monthly EHLPEmergency billing statement will also reflect any change in the amount of the Borrower's HCP.

Changes to the HCP may take up to 90 days to be reflected accordingly on the EHLPEmergency billing statement. The borrower must continue to make their full HCP reflected on their EHLPEmergency billing statement.

Counseling Agency Appeal Process Responsibilities

Once the Counseling Agency has determined the revised Income Adjustment HCP based on the documentation provided, they must do the following:

- Provide written notification to the Borrower, sent via US Postal mail or email, informing them of their new HCP amount using the *Income Adjustment/Hardship Waiver – New Calculation of Income* **OR** *Income Adjustment Denial Letter Template (found in Appendix A)*. This letter must reference links to the *Change in Emergency Assistance Appeal Request Form* **OR** the Emergency Homeowners' Loan Program Appeals Manual and Process Procedures available at www.findehlp.org

⁵ More information about conditions for transition period assistance related to assistance terminations can be reference in the EHLPEmergency Counseling Agency Roles and Responsibilities Post-Approval Guidelines <http://ehlp.nw.org/ehlp counselors.asp>

- Counseling Agency must upload all income documents provided by the Borrower and any Co-Borrowers into HOPE LoanPort. Reference the Documentation for Mandatory Reporting of Income in this manual
- Return to the Borrower all original supporting documents used to make the income adjustment determination, including but not limited to: income tax returns, pay stubs, bank statements or other forms of income documentation or verification. (Counseling Agency *must* retain copies in HOPE LoanPort)

Borrower Appeal Process Responsibilities

If the Borrower believes that their income adjustment calculation for their HCP was made in error by their Counseling Agency, the Borrower may request that NeighborWorks America reconsider the determination. To request an appeal, the Borrower must provide the documentation listed below to NeighborWorks America. All documentation must be included for the appeal to be reviewed.

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the Counseling Agency notification letter. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
 ATTN: EHLP Appeals- L. Wilson
 1325 G. Street NW., Suite 800
 Washington, DC 20005

Appeal Package Content: Appeal packages submitted by Borrowers to NeighborWorks America must contain the following:

- *Income Adjustment/Hardship Waiver – New Calculation of Income Letter* **OR** *Income Adjustment Denial Letter Template Letter* sent by Counseling Agency
- Complete the *Change in Emergency Assistance Appeal Request Form* found in the Appeals Manual and Process Procedures (*Appendix C*) available on www.findehlp.org.
- Copies of all income documentation returned by the Counseling Agency:
 - **Tax Returns:** Copy of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year (if any). Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement.
 - **Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 consecutive weeks (if any)
 - **Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 consecutive weeks (if any)
 - **Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month or last 4 consecutive weeks (if any)
 - **Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions/annuities/retirement plans from the most recent month or last 4 consecutive weeks (if any)
 - **Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from most recent month or last 4 consecutive weeks (if any)
 - Completed and signed **Assistance Modification Affidavit** found in the Appeals Manual and Process Procedures (*Appendix B*) available on www.findehlp.org.

NeighborWorks America Determinations and Findings

Income Adjustment appeal packages that do not meet the specifications described under these guidelines will not be eligible for review by NeighborWorks America. They will be returned by NeighborWorks America to the Borrower

along with a written notification that the Borrower has been determined to be ineligible for an appeal review. NeighborWorks America will electronically notify, via email, the EHLA Counseling Agency, and if applicable the direct Grantee, of the final determination.

If NeighborWorks America determines that a Borrower's income adjustment appeal package meets the standards described under these guidelines, the Borrower's materials will be reviewed to determine whether the Counseling Agency made an error in evaluating the submitted income documentation.

NeighborWorks America will transmit written notification of its determination to the Borrower via overnight mail delivery service. Each response will include NeighborWorks America's finding as well as the reason(s) supporting the determination.

If it is determined by NeighborWorks America that the Counseling Agency's calculation of the Borrower's income adjustment is in error, and that the Borrower's HCP should be increased, no further action will be required by the Counseling Agency to submit to the HUD Fiscal Agent. However, in some cases the Counseling Agency may be asked by NeighborWorks America to upload additional documentation provided by the Borrower. NeighborWorks America will inform HOPE LoanPort of the amended HCP, the Counseling Agency, and the Borrower in writing. If NeighborWorks America determines that Counseling Agency did not err, the HCP calculated by the Counseling Agency will remain in effect. NeighborWorks America will send written notification to the Borrower and an electronic copy of the notification to both the EHLA Counseling Agency and direct Grantee, as applicable.

NeighborWorks America will send an electronic notification of all final appeal determinations to the EHLA Counseling Agency and direct Grantee, as applicable. EHLA Grantees are responsible for ensuring that their Sub-grantees take the appropriate follow-up action in a timely manner as directed by NeighborWorks America.

NeighborWorks America's decision concerning each Borrower's appeal is **final**. No further review of the Borrower's request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHLA assistance are required to pay their monthly contribution payment as reflected on their EHLA statement. The HCP calculation determined by the Counseling Agency **can take up to 90 days for the EHLA statement to reflect any new payment amount**. Borrowers may re-apply for another income adjustment with their Counseling Agency after 90 days of the last reported change submitted to the HUD Fiscal Agent. Please see the **Eligibility Criteria for Subsequent Income Adjustment Based Homeowner Contribution Payment Reductions** section of this manual.

Appendix A

Counseling Agency Template Letters

Counseling Agency Notification Template

Counselor: EHLP Hardship Waiver Ineligibility Notification Letter <Counseling Agency Letterhead>

Date
Borrower Name
Borrower Address
City, State Zip

Dear Borrower,

You recently submitted a request for an Emergency Homeowners' Loan Program (EHL) Hardship Waiver. **COUNSELING AGENCY NAME** has evaluated your request in accordance with the EHL program guidelines provided by the U.S. Department of Housing and Urban Development. As a result of that evaluation, we have determined that you are ineligible for an EHL Hardship Waiver at this time for the reason(s) indicated below:

- Your Homeowner Contribution Payment is not \$150.
- You have not submitted a signed EHL Hardship Waiver Affidavit certifying that you have experienced one of the three qualifying events: 1) Expiration of Unemployment Benefits; 2) Self-Employed, Sustained Income Reduction; or 3) Increase in Out-of-Pocket Medical Expenses
- You indicated that you experienced the following event: **Expiration of Unemployment Benefits**. However, you have not provided written notice from the applicable state agency indicating the unemployment benefits have been exhausted or expired for you or your co-borrower
- You indicated that you experienced the following event: **Increase in Out-of-Pocket Medical Expenses**. However, you did not provide supporting documentation showing that your out of pocket medical expenses have increased by at least \$125 per month for a minimum of three consecutive months due to a medical emergency experienced by Borrower, Co-Borrower, his or her spouse, and/or one or more of his or her dependents

Appeals Process

If you believe that the Hardship Waiver application was not properly calculated by this Counseling Agency, you have the right to request that NeighborWorks America reconsider the hardship waiver determination. For more information about the EHL eligibility appeal processes, see the Appeals Manual and Process Procedures available on www.findehlp.org.

Should you choose to appeal, your appeal request must take the following steps:

- Complete the *Change in Emergency Assistance Appeal Request Form* found in the NeighborWorks America EHL Appeals Manual and Process Procedures (*Appendix C*) available on www.findehlp.org
- Submit all required documentation for the evaluation of Hardship Waiver eligibility as defined and listed in the NeighborWorks America EHL Appeals Manual and Process Procedures available on www.findehlp.org

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the Hardship Waiver Ineligibility Notification. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
ATTN: EHL Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 20005

NeighborWorks America's decision concerning an appeal is **final**. No further review of request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHL assistance are required to pay their monthly contribution payment as reflected on their EHL statement. The HCP calculation determined by the Counseling Agency can take up to 90 days for the EHL statement to reflect any new payment amount.

Sincerely,

Signature

Counseling Agency Notification Template

Income Adjustment Denial Letter TEMPLATE

Date

Borrower Name

Borrower Address

City, State Zip

Dear Borrower Name,

You recently reported an Income Adjustment as part of your continued participation in the U.S. Department of Housing and Urban Development's (HUD) Emergency Homeowners' Loan Program (EHL). COUNSELING AGENCY NAME has evaluated your reported Income Adjustment in accordance with the EHL program guidelines provided by HUD. As a result of that evaluation, we have determined that your reported income change will not result in an adjustment to either your monthly Homeowner Contribution Payment or HUD's monthly assistance contribution. The reason(s) for this decision are indicated below:

- You reported a **reduction** of your monthly income but you did not provide documentation to support this statement; or the documentation provided did not evidence that your income decreased by at least 20%
- You reported an **increase** in your monthly income, however based on our review of documentation you provided, your current monthly income does not meet or exceed the Mandatory Reporting Amount. Therefore, the change of income is not significant enough to require an increase in your monthly Homeowner Contribution Payment
- You reported an **increase** in your monthly income however, based on our review of documentation you provided your monthly income has not met or exceeded the Mandatory Reporting Amount for 90 consecutive calendar days after closing on your EHL loan. Please re-submit current income documentation when your increased income has been sustained for 90 days after closing on your EHL loan

Appeals Process

If you believe that the Income Adjustment was not properly calculated by this Counseling Agency, you have the right to request that NeighborWorks America reconsider the Income Adjustment determination. For more information about the EHL eligibility appeal processes, see the Appeals Manual and Process Procedures available on www.findehlp.org.

Should you choose to appeal, your appeal request must take the following steps:

- Complete the *Change in Emergency Assistance Appeal Request Form* found in the NeighborWorks America EHL Appeals Manual and Process Procedures (*Appendix C*) available on www.findehlp.org
- Submit all required documentation for the evaluation of Hardship Waiver eligibility as defined and listed in the NeighborWorks America EHL Appeals Manual and Process Procedures available on www.findehlp.org

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the notification from your Counseling Agency. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
ATTN: EHL Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 20005

NeighborWorks America's decision concerning an appeal is **final**. No further review of request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHL assistance are required to pay their monthly contribution payment as reflected on their EHL statement. The HCP calculation determined by the Counseling Agency can take up to 90 days for the EHL statement to reflect any new payment amount.

Sincerely, **Signature**

Counseling Agency Notification Template

Income Adjustment/Hardship Waiver – New Calculation of Income

Date

Borrower Name

Borrower Address

City, State Zip

Dear Borrower Name,

You recently reported an Income Adjustment or requested a Hardship Waiver as part of your continued participation in the U.S. Department of Housing and Urban Development's (HUD) Emergency Homeowners' Loan Program (EHLPP). COUNSELING AGENCY NAME has evaluated your reported Income Adjustment in accordance with the EHLPP program guidelines provided by HUD. Based on the documentation provided, we have calculated your new income and the resulting revised Homeowner Contribution Payment to be the following:

New Current Monthly Income: _____

Revised Homeowner Contribution Payment: _____

This change will be communicated to HUD's Fiscal Agent. However, it may take up to 90 days for the revised HCP amount to be reflected on your monthly EHLPP mortgage statement. In the meantime, you are responsible for making timely payments of the amount reflected on your EHLPP mortgage statement.

Please note that EHLPP borrowers can not report a subsequent income change for at least 90 days.

Appeals Process

If you believe that the Income Adjustment was not properly calculated by this Counseling Agency, you have the right to request that NeighborWorks America reconsider the Income Adjustment determination. For more information about the EHLPP eligibility appeal processes, see the Appeals Manual and Process Procedures available on www.findehlp.org.

Should you choose to appeal, your appeal request must take the following steps:

- Complete the *Change in Emergency Assistance Appeal Request Form* found in the NeighborWorks America EHLPP Appeals Manual and Process Procedures (*Appendix C*) available on www.findehlp.org
- Submit all required documentation for the evaluation of Hardship Waiver eligibility as defined and listed in the NeighborWorks America EHLPP Appeals Manual and Process Procedures available on www.findehlp.org

Submission of the Appeal: Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the notification from your Counseling Agency. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

NeighborWorks America
ATTN: EHLPP Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 20005

NeighborWorks America's decision concerning an appeal is **final**. No further review of request is permitted after NeighborWorks America's finding is reached. Borrowers that are still eligible for ongoing EHLPP assistance are required to pay their monthly contribution payment as reflected on their EHLPP statement. The HCP calculation determined by the Counseling Agency can take up to 90 days for the EHLPP statement to reflect any new payment amount.

Sincerely,

Signature

Appendix B

HUD Affidavits



HUD EMERGENCY HOMEOWNERS' LOAN PROGRAM – HARDSHIP WAIVER AFFIDAVIT

NOTICE: Completion of this Hardship Waiver Affidavit is required for all EHLP Borrowers (and Co-Borrowers, if any) applying for an EHLP Hardship Waiver. **Before completing, please read the Privacy Act Statement included at the end of this Hardship Waiver Affidavit.**

The Department of Housing and Urban Development is prohibited by statute, regulation, and/or program rules from providing EHLP emergency assistance on behalf of any person who does not meet minimum program requirements. No person shall be eligible to receive emergency assistance under the Emergency Homeowners' Loan Program who cannot certify to any of the statements included in this document.

Name of EHLP (Co-) Borrower: _____

Last Four (4) Digits of Social Security Number: ***-**-_____

I, the Undersigned EHLP (Co-) Borrower Certify, under penalty of perjury, that: *(Initial the applicable line)*

1. Expiration of Unemployment Benefits

_____ My unemployment benefits, previously reported as income on my EHLP application, have expired or been exhausted. I further certify, under penalty of perjury, that, to the best of my knowledge and belief, the information and documentation that I have provided for the purpose of applying for an EHLP Hardship Waiver, including but not limited to the information I have provided in this affidavit, is true, complete, and correct.

2. Self-Employed, Sustained Income Reduction

_____ I have not received unemployment benefits since I experienced a reduction in my self-employment income that resulted from economic conditions and/or medical emergency. I further certify, under the penalty of perjury, that the reduction in my self-employment income has been sustained for at least 12 consecutive months from the date I first experienced the unemployment or underemployment as stated in my EHLP application Unemployment Affidavit.

3. Increase in Out-of-Pocket Medical Expenses

_____ The out-of-pocket medical expenses that form the basis of my application for an EHLP Hardship Waiver resulted from a medical emergency experienced by me, my spouse, and/or one or more of my dependents. I further certify, under penalty of perjury, that, to the best of my knowledge and belief, the information and documentation that I have provided for the purpose of applying for an EHLP Hardship Waiver, including but not limited to the information I have provided in this affidavit, is true, complete, and correct.

By signing below, I understand that nothing pertaining to my application for an EHLP Hardship Waiver releases me from my responsibility to report certain increases in my current income (including current income of all persons listed on the first lien mortgage and/or note, or both).

By signing below, I understand that any false statement made in connection with this affidavit or my participation in the EHLP may result in fines or imprisonment of up to five (5) years, or both, under 18 U.S.C. § 1001, that I may also be subject to civil and/or administrative penalties or sanctions, and that HUD may pursue any available penalty or sanction, criminal, civil or administrative, to the fullest extent of the law.

Signature of EHLP (Co-) Borrower

Date

PRIVACY ACT STATEMENT

Purpose: By signing this Hardship Waiver Affidavit, you are authorizing HUD, directly or through its agents, to request income information from such sources necessary to verify your income, employment status and such other information necessary to ensure that you are eligible for the federal benefits to be derived under this program and that those benefits are set at the correct level.

Uses of Information to be Obtained: HUD is required to protect the income and employment information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes or unemployment/income verification purposes. Any persons engaging in unauthorized disclosures or improper uses of information obtained for the purposes described above may be subject to penalties.



HUD EMERGENCY HOMEOWNERS' LOAN PROGRAM – ASSISTANCE MODIFICATION AFFIDAVIT

NOTICE: Completion of this Assistance Modification Affidavit is required for all EHLB Borrowers reporting a change (increase or decrease) in current income (including the income of all Co-Borrowers), if any. **Please read the Privacy Act Statement at the bottom of this page before completing this Assistance Modification Affidavit.**

The Department of Housing and Urban Development is prohibited by statute, regulation, and/or program rules from providing EHLB emergency assistance on behalf of any person who does not meet minimum program requirements. No person shall be eligible to receive emergency assistance under the Emergency Homeowners' Loan Program who cannot certify to any of the statements included in this document.

Name of EHLB Borrower: _____

Last Four (4) Digits of Social Security Number: ***-**-_____

I understand that, in accordance with the terms of my EHLB loan documents, I am required to complete this Assistance Modification Affidavit to report a change in my current income (including the income of any person listed on the first lien mortgage and/or note or both) to my designated housing counseling agency.

I hereby certify, under penalty of perjury, that, to the best of my knowledge and belief, I have sustained the change in current income (including the income of any person listed on the first lien mortgage and/or note or both), as properly calculated in the attached worksheet and described below, for at least ninety (90) calendar days.

Previously Reported Income:

Current Income:

Amount of Change in Income:

Date of Change in Income:

I further certify that, to the best of my knowledge and belief, the information and documentation that I have provided for the purpose of reporting my change in current income (including the current income of any person listed on the first lien mortgage and/or note or both), including but not limited to the information I have provided in this affidavit and attached worksheet, is true, complete, and correct.

By signing below, I understand that any false statement made in connection with my participation in the EHLB may result in fines or imprisonment of up to five (5) years, or both, under 18 U.S.C. § 1001, that I may also be subject to civil and/or administrative penalties or sanctions, and that HUD may pursue any available penalty or sanction, criminal, civil or administrative, to the fullest extent of the law.

Signature of EHLB Borrower

Date

PRIVACY ACT STATEMENT

Purpose: By signing this Assistance Modification Affidavit, you are authorizing HUD, directly or through its agents, to request income information from such sources necessary to verify your income, employment status and such other information necessary to ensure that you are eligible for the federal benefits to be derived under this program and that those benefits are set at the correct level.

Uses of Information to be Obtained: HUD is required to protect the income and employment information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes or unemployment/income verification purposes. Any persons engaging in unauthorized disclosures or improper uses of information obtained for the purposes described above may be subject to penalties.

Appendix C

Change In Emergency Assistance Appeals Request Form



Emergency Homeowners' Loan Program (EHL P) Change in Emergency Assistance Appeal Request Form

EHL P Borrower Information

Date: _____ EHL P ID #: _____

Borrower Name: _____

Borrower Address: _____

City: _____ State: _____ Zip Code: _____

Home Phone Number: _____ Work Phone Number: _____

Cell Phone Number: _____ E-mail: _____

EHL P Counseling Agency Name: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____

I am appealing (Check only One)

- Hardship Waiver Determination
- Homeowner Contribution Payment Calculation (Income Decrease)
- Homeowner Contribution Payment Calculation (Income Increase)

Step One: Please describe in detail how and why the Counseling Agency is in error concerning your eligibility for a Hardship Waiver or Income Adjustment based Homeowner Contribution Payment Calculation (*Please attach additional description if needed*).

Step Two: Your request for appeal must include supporting documentation. Any incomplete appeal packages will be returned to the homeowner marked incomplete and no further review will be conducted by NeighborWorks. Borrowers will not be given the option to resubmit any Counseling Agency determinations will remain. Based on your type of appeal, please use one of the checklists below to ensure copies of documentation required for the appeal are submitted with your *Change in Emergency Assistance Appeals Request Form* packet. Checkmarks indicate that the materials have been included.

Borrower's Hardship Waiver Checklist

Hardship Waiver Due to Expiration of Unemployment Benefits

I have reviewed the EHL P Appeals Process and Procedure Manual and can affirmatively check all of the following:

- My Homeowner Contribution Payment is \$150.
- I participated in a 5b counseling appointment.
- My unemployment benefits have expired
- I submitted all required documents to my Counseling Agency
- I am submitting this appeal request **less than 10 calendar days** from the date of my Ineligibility Notification letter from my Counseling Agency

I have included the following information in my appeal:

- Ineligibility Notification** from my Counseling Agency
- Change in Emergency Assistance Appeal Request Form**
- A copy of the **written notice from my state agency** that shows my unemployment benefits have been exhausted or expired.
- Signed Hardship Waiver Affidavit** that I found in the Appeals Manual and Process Procedures Appendix B available on www.findehlp.org

Hardship Waiver Due to Self Employment Income Reduction

I have reviewed the EHL P Appeals Process and Procedure Manual and can affirmatively check all of the following:

- My Homeowner Contribution Payment is \$150.
- I participated in a 5b counseling appointment.
- I have had, or co-borrower(s) have had, a self employment income reduction for 12 consecutive months since the unemployment date used in my EHL P Unemployment Affidavit.
- I submitted all required documents to my Counseling Agency
- I am submitting this appeal request less than **10 calendar days** from the date of the Ineligibility Notification from my Counseling Agency

I have included the following information in my appeal:

- Ineligibility Notification** from my Counseling Agency
- Change in Emergency Assistance Appeal Request Form**
- Signed Hardship Waiver Affidavit** that includes the **sustained self-employment clause** that I found in the Appeals Manual and Process Procedures Appendix B available on www.findehlp.org

Hardship Waiver Request Due to Increased Out of Pocket Medical Expenses

I have reviewed the EHL P Appeals Process and Procedure Manual and can affirmatively check all of the following:

- My Homeowner Contribution Payment is \$150.
- I participated in a 5b counseling appointment.
- I have had, or co-borrower(s) have had, an increase in out-of-pocket medical expenses of at least \$125 per month for at least three consecutive months due to a medical emergency of me, my spouse and/or one or more of my dependents.
- I submitted all required documents to my Counseling Agency
- I am submitting this appeal request less than **10 calendar days** from the date of the Ineligibility Notification from my Counseling Agency

I have included the following information in my appeal:

- Ineligibility Notification** from my Counseling Agency
- Change in Emergency Assistance Appeal Request Form**
- Payment stubs, canceled checks, or money order receipts** from my health insurance provider (if any)
- Hospital and/or doctor bills** for 3 months prior to my application for a Hardship Waiver (if any)
- Copies of any payment agreements** for related medical bills that have not yet been paid (if any)
- Signed Hardship Waiver Affidavit** that includes the **sustained self-employment clause** that I found in the Appeals Manual and Process Procedures Appendix B available on www.findehlp.org

Borrower's Income Adjustment Checklist

Request for Homeowner Contribution Payment Reduction

I have reviewed the EHL P Appeals Process and Procedure Manual and can affirmatively check all of the following:

- I have, or co-borrowers have had, a decrease in combined current monthly income of at least 20%
- I submitted all required documents to my Counseling Agency
- It is less than 10 calendar days from the date of the Ineligibility Notification from the Counseling Agency
- I disagree with their assessment and can provide documentation that supports my appeal

I have included the following information in my appeal:

- Notification Letter** from the Counseling Agency
- Copies** of all income documentation returned by the Counseling Agency from the pre-application file (if any)
- Tax Returns:** Signed copies of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year. Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement(if any)
- Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 weeks (if any)
- Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 weeks (if any)
- Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month or last 4 weeks (if any)
- Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions / annuities / retirement plans from the most recent month or last 4 weeks (if any)
- Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from the most recent month or last 4 weeks (if any)
- Completed and signed **Assistance Modification Affidavit** that I found in the Appeals Manual and Process Procedures Appendix B available on www.findehlp.org

Mandatory Income Reporting

I have reviewed the EHL P Appeals Process and Procedure Manual and can affirmatively check all of the following:

- I have met or exceeded my mandatory income reporting amount for 90 consecutive calendar days
- I submitted all required documents to my Counseling Agency
- It is less than 10 calendar days from the date of the Ineligibility Notification from the Counseling Agency
- I disagree with their assessment and can provide documentation that supports my appeal

I have included the following information in my appeal:

- Notification Letter** from the Counseling Agency
- Copies** of all income documentation returned by the Counseling Agency from the pre-application file (if any)
- Tax Returns:** Signed copies of Borrower's (and all Co-Borrower's) tax returns for the **most recent** completed tax year. Self-employed Borrowers must submit all applicable schedules from the yearly return as well as a year-to-date Profit and Loss statement(if any)
- Wages/Salary:** All Borrowers paystubs for the most recent month or last 4 weeks (if any)
- Unemployment:** Records of all Borrowers' unemployment benefits from the most recent month or last 4 weeks (if any)
- Disability/SSI:** Records of all Borrowers' disability/SSI benefits from the most recent month or last 4 weeks (if any)
- Pensions/Annuities/Retirement Plans:** Records of all Borrowers' income from pensions / annuities / retirement plans from the most recent month or last 4 weeks (if any)
- Temporary Aid for Needy Families (TANF):** Records of all Borrowers' TANF income from the most recent month or last 4 weeks (if any)
- Completed and signed **Assistance Modification Affidavit** that I found in the Appeals Manual and Process Procedures Appendix B available on www.findehlp.org

Sending Your Appeal

Appeals must be sent by CERTIFIED MAIL through the U.S. Postal System within **ten (10) calendar** days from the date of the notification from your Counseling Agency. The postmark on the appeal must be within 10 days of the Notification.

Appeals should be sent to the following address:

**NeighborWorks America
Attn: EHLA Appeals- L. Wilson
1325 G. Street NW, Suite 800
Washington, DC 20005**

Homeowners are expected to follow the detailed instructions on submitting an appeal package, including deadlines, timelines, and supporting documentation materials, found in the ***Emergency Homeowners' Loan Program Appeals Manual and Process Procedures***. The *EHLA Appeals Manual* can be found online and downloaded at www.findehlp.org.