



INCOME CHANGE AND HARDSHIP WAIVER APPEALS



Agenda

- Types of Appeals
- Responsibilities
 - ▣ Borrower
 - ▣ Counseling Agency
 - ▣ NeighborWorks America
- Review Templates
- Questions

Where Can I Find Information About Appeals?

- EHLP: *Housing Counseling Agency Roles and Responsibilities Post-Approval Guidelines*

(available at <http://www.findehlp.org/http://findehlp.com/documents/EHLPPost-ApprovalGuidelinesREVISED02.24.2012.pdf>)

- EHLP: *Appeals Manual and Process Procedures v. 2*

(available at <http://findehlp.com/documents/EHLPAppealsManual.pdf>)

- Email EHLP: EHLP@nw.org

What Can A Borrower Appeal?

- Certain Income Change and Hardship Waiver decisions can be appealed to NeighborWorks America.
 - ▣ Hardship Waiver Determinations
 - ▣ Income Based Homeowner Contribution Payment Reduction (HCP)
 - ▣ Income Based Homeowner Contribution Payment Increase (Mandatory Reporting Amount)



HARDSHIP WAIVER APPEALS



Hardship Waiver Eligibility

- Some Borrowers may be eligible for a Hardship Waiver.
 - ▣ Homeowner Contribution Payment of \$150
 - ▣ Have participated in 5b counseling
 - ▣ Eligible Borrowers must have one of the following conditions:
 - Unemployment benefits expired
 - Sustained self-employment income reduction
 - Increase in out-of-pocket medical expenses
- Borrower is required to provide documentation to their CA that demonstrates they qualify for Hardship Waiver.
 - ▣ For specifics, see *Counseling Agency Roles and Responsibilities Post-Approval Guidelines*

Evaluation of Hardship Waiver Applications

- Can take place once closed and in Active Assistance in HLP
 - Can be completed during 5b counseling or at later date
- CA will review documentation provided by Borrower
- CA makes determination and notifies the Borrower
 - Use Template found in Appendix A, Appeals Manual

Counseling Agency Appeal Process Responsibilities

- Send Letter via US Postal Service OR email
 - ▣ Income Adjustment/Hardship Waiver- New Calculation of Income OR
 - ▣ EHLP Hardship Waiver Ineligibility Notification Letter
- Provide Borrower with *Change In Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Copy of document or link to form*
- Return all original supporting Hardship Waiver documentation
 - ▣ Upload copies of documentation to HOPE LoanPort

Borrower Appeal Process

Responsibilities

- If a Borrower believes that their Hardship Waiver determination was not properly calculated, they may appeal to NeighborWorks America.
- Appeals must be sent via CERTIFIED MAIL and postmarked within 10 calendar days from the date on their letter from CA.

NeighborWorks America
EHLP Appeals- L. Wilson
1325 G. Street NW., Suite 800
Washington DC 2005

Borrower Appeal Process Responsibilities (Cont.)

- Appeal Package Content
 - ▣ Letter sent by CA
 - ▣ *Change in Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Applicable Hardship Waiver Affidavit (Appendix B, Appeals Manual)*
 - ▣ Supporting documentation specific to their Hardship Waiver Request (*See Appeals Manual*)
- Any Appeals Requests sent without ALL documentation will NOT be reviewed, they will be returned to the Borrower stating the CA's determination stands.

NeighborWorks America Responsibilities

- NeighborWorks America will have an independent consultant review appeal packages.
- When a determination is made, NeighborWorks America will send notification to the Borrower via overnight mail.
 - ▣ NeighborWorks America will email CA final decision, as well as any action required by CA*

* NeighborWorks will email both Grantee and Sub-grantee. Grantees are responsible for ensuring their Sub-grantees take appropriate action in a timely manner.

NeighborWorks America Responsibilities

- Appeal determinations are **Final**.
 - ▣ Borrowers are required to pay their HCP as reflected on their EHLP statement.
 - ▣ Changes in HCP can take 90 days to be reflected on EHLP statement.
- Borrowers can re-apply for Hardship Waiver.



INCOME DECREASE APPEALS



Homeowner Contribution Payment Reduction Eligibility

- Borrowers with current HCP greater than \$150
- Borrower and any Co-Borrower's monthly income decreased by at least 20% from time of approval for assistance
- The decrease in income can be reported immediately after closing on EHLP loan and entering Active Assistance in HLP*

*Subsequent decreases must be sustained for **90 consecutive calendar days** from the date of Borrower's last HCP reduction

Homeowner Contribution Payment Reduction Documentation

- Borrower is required to provide documentation to their CA that demonstrates they qualify for HCP reduction
 - ▣ For a list of documentation required, see *Counseling Agency Roles and Responsibilities Post-Approval Guidelines*

Evaluation of Income Adjustment Based HCP Reduction

- Can take place once closed and in Active Assistance in HLP.
 - ▣ Subsequent reporting can occur after 90 days
- CA will review documentation provided by Borrower.
- The CA will make a determination and notifies Borrower.
 - ▣ Use Template Found in Appendix A, Appeals Manual

Counseling Agency Appeal Process Responsibilities

- Send Letter via US Postal Service or email
 - ▣ *Income Adjustment Denial Letter OR*
 - ▣ *Income Adjustment/Hardship Waiver-New Calculation of Income*
- Provide Borrower with *Change In Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Copy of document or link to form*
- Return all original supporting eligibility documents
 - ▣ Upload copies of documentation to HOPE LoanPort

Borrower Appeals Process Responsibilities

- If a Borrower believes that their Income Adjustment determination was not properly calculated, they may appeal to NeighborWorks America.
- Appeals must be sent via CERTIFIED MAIL and postmarked within 10 calendar days from the date on their letter from CA.

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1325 G. Street NW., Suite 800
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Borrower Appeal Process Responsibilities (Cont.)

- Appeal Package Content
 - ▣ Letter sent by CA
 - ▣ *Change in Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Signed and Completed Assistance Modification Affidavit (Appendix B, Appeals Manual)*
 - ▣ Income documentation specific to their Income Decrease Appeal (*See Appeals Manual*)
- Any Appeals Request sent without ALL documentation will NOT be reviewed, they will be returned to the Borrower stating the CA's determination stands.

NeighborWorks America Responsibilities

- NeighborWorks America will have an independent consultant review appeal packages.
- When a determination is made, NeighborWorks America will send notification to the Borrower via overnight mail.
 - ▣ NeighborWorks America will email CA final decision, and any action required by CA*

* NeighborWorks will email both Grantee and Sub-grantee. Grantees are responsible for ensuring their Sub-grantees take appropriate action in a timely manner.

NeighborWorks America

Responsibilities

- Appeal determinations are **Final**.
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 - ▣ Changes in HCP can take 90 days to be reflected on EHLP statement.



MANDATORY REPORTING INCOME INCREASES



Requirements for Mandatory Reporting of Income

The Mandatory Reporting Amount is:

- Borrower's Financial Resources at Approval plus \$750 dollars OR
- Monthly Income where 31% of that income is greater than the Borrower's 1st lien monthly mortgage payment
 - ▣ Found on HLP or loan documents
 - ▣ Sustained at least **90 consecutive days**

Mandatory Reporting of Income Increases

Mandatory Reporting of Income Documentation

- Borrower is required to provide documentation to their CA that demonstrates they meet or exceed the Mandatory Reporting Amount.
- ▣ For a list of documentation required, see *Counseling Agency Roles and Responsibilities Post-Approval Guidelines*

Evaluation of Mandatory Reporting of Income

- Increase must be sustained for 90 consecutive days and reported before next HCP due date.
- CA will review documentation provided by Borrower.
- CA makes a determination and notifies the Borrower.
 - Use Template Found in Appendix A, Appeals Manual
- An Increase in monthly income may result in the borrower having to pay a higher HCP or the EHLP assistance being terminated.

Counseling Agency Appeal Process Responsibilities

- Send Letter via US Postal Service OR email
 - ▣ Income Adjustment Denial Letter OR
 - ▣ Income Adjustment/Hardship Waiver- New Calculation of Income
- Provide Borrower with *Change In Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Copy of document or link to form*
- Return all original supporting eligibility documents
 - ▣ Upload copies of documentation to HOPE LoanPort

Borrower Appeals Process

Responsibilities

- If a Borrower believes that their Income Adjustment determination was not properly calculated, they may appeal to NeighborWorks America.
- Appeals must be sent via CERTIFIED MAIL and postmarked within 10 calendar days from the date on their letter from CA.

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Washington DC 2005

Mandatory Reporting of Income Increases

Borrower Appeal Process Responsibilities (Cont.)

- Appeal Package Content
 - ▣ Letter sent by CA
 - ▣ *Change in Emergency Assistance Appeals Request Form (Appendix C, Appeals Manual)*
 - ▣ *Completed and Signed Assistance Modification Affidavit (Appendix B, Appeals Manual)*
 - ▣ Income documentation specific to their Income Increase (*See Appeals Manual*)
- Any Appeals Request sent without ALL documentation will not be reviewed, they will be returned to the Borrower stating the CA's determination stands.

NeighborWorks America Responsibilities

- NeighborWorks America will have an independent consultant review appeal packages.
- When a determination is made, NeighborWorks America will send notification to the Borrower via overnight mail.
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NeighborWorks America

Responsibilities

- Appeal determinations are **Final**.
 - ▣ Borrowers are required to pay their HCP as reflected on their EHLP statement.
 - ▣ Changes in HCP can take 90 days to be reflected on EHLP statement.



TEMPLATES



Appendix A: Letter Templates

- You MUST use these Template Letters in responding to Borrowers
 - ▣ Hardship Waiver Ineligibility Notification Letter
 - ▣ Income Adjustment Denial Letter
 - ▣ Income Adjustment/Hardship Waiver- New Calculation of Income

Appendix B: HUD Affidavits

- Hardship Waiver Affidavit
 - ▣ Required for All Hardship Waiver Cases
- Assistance Modification Affidavit
 - ▣ Required for Income Decreases OR Increases

*Hardship Waivers, Income Decrease Appeals,
Mandatory Reporting of Income*

Appendix C: Form Templates and Checklists

- Change in Emergency Assistance Appeals Request Form
 - ▣ Required for ALL appeals
 - ▣ Includes a Checklist

Where Can I Find Information About Appeals?

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Questions?