

Processing EHL P Income Changes

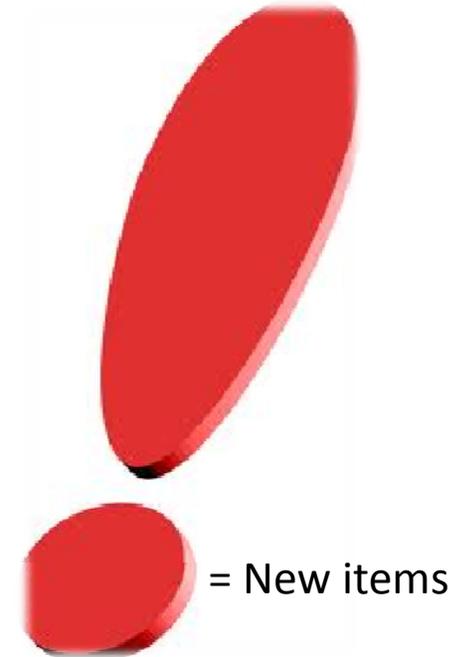
Call in number: 866-363-6079

Passcode:1792339014#



Agenda

- Updates – Guideline Revisions
- Program Review
 - Hardship Waivers
 - Income Changes
 - Calculating Current Monthly Income
- HOPE LoanPort Demonstration
- Questions



Termination: Voluntary Withdrawal

- Borrowers may choose to exit the assistance period early for reasons other than default or increased income.
 - Must complete and submit to the CA a signed “Borrower Notice of Withdrawal” form.
 - May be eligible for up to two months of Transition Assistance.
- CA will upload the form and process the voluntary withdrawal within HLP.

Hardship Waivers & Income Changes: What's New?



- Income decreases:
 - No longer must wait 90 days after closing to report an income decrease
 - Subsequent income reductions have to be sustained at least 90 consecutive calendar days
- Income change documentation:
 - Self-employed borrowers must submit all applicable schedules from tax return and a year-to-date Profit and Loss Statement.

Hardship Waivers & Income Changes: What's New?



- Notification to borrowers:
 - CAs must provide written notification of hardship waiver and income change evaluations – including language about right to appeal
- Implementation of changed Homeowner Contribution Payments (HCP):
 - May take up to 90 days for HCP changes to be implemented; AND
 - Borrowers are responsible for making full payment shown on monthly statements until new HCP implemented.

Hardship Waiver and Income Changes

- Available for EHL P Borrowers currently in Active Assistance
- Detailed in CA Roles and Responsibilities Post-Approval Guidelines
 - Hardship waiver – Section IV.A., p. 7-10
 - Income decrease reporting – Section IV.D.1, p. 12-15
 - Income increase reporting – Section IV.D.1, p. 15-19

Hardship Waiver Overview

- Minimum Homeowner Contribution Payment : greater of \$150 or 31% of income
- Certain financial situations are eligible for a hardship waiver.
- HO approved for Hardship Waiver receive a reduced Homeowner Contribution Payment greater of \$25 or 31% of income

Hardship Waiver - Eligibility

To be eligible for a Hardship Waiver:

- Must participate in 5b Counseling
- Homeowner contribution payment = \$150
- Must demonstrate any of the following three conditions:
 - (1) Expiration of unemployment benefits
 - (2) Self-employed, sustained income reduction
 - (3) Increase in out of pocket medical expenses
- Must provide required documentation

Hardship Waivers - Documentation

- ALL Borrowers must provide a signed Hardship Waiver Affidavit certifying they meet one of the three eligibility conditions
- If expired unemployment benefits, must also provide a copy of written notice from the applicable state agency
- If increase in out of pocket medical expenses, must also provide proof of medical expenses

Hardship Waivers – CA Role

CAs are responsible for the following:

- Evaluate all Hardship Waiver applications
- Upload all documents, process Hardship Waiver and send “alert” to FA in HLP
- Provide written notification of the outcome to HO, including information about appeals



Hardship Waivers – FA Role

FA will do the following after receiving alert:

- Implement the change to HCP and HUD assistance payments
- Send sub-status code message back to CA via HLP

Income Change: Decrease

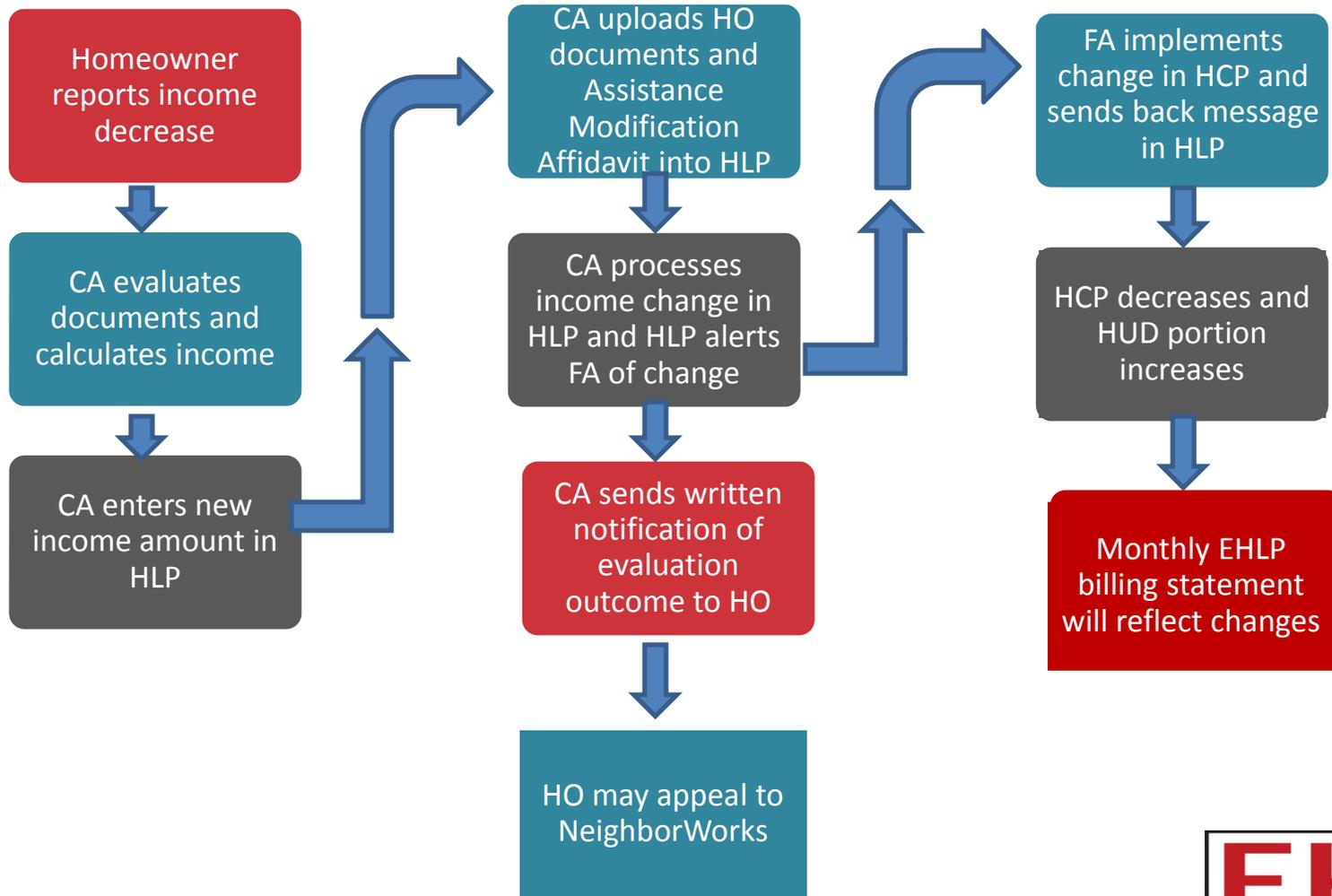
- Borrowers can report a decrease in current monthly income and request a corresponding HCP decrease
 - Monthly income must decrease by at least 20% to change HCP
 - “Threshold for notification of income decrease” available in HLP 
- Borrower must provide documentation of current income AND sign Assistance Modification Affidavit

Calculating Income Decreases: Example

$$\begin{array}{ccccccc} \$1,580 & \times & 80\% & = & \$1,264 \\ \text{Income at} & & & & \text{Minimum} \\ \text{approval} & & (0.80) & & \text{decrease to} \\ & & & & \text{change HCP} \end{array}$$

$$\begin{array}{ccccccc} \$1,000 & \times & 31\% & = & \$310 \\ \text{New} & & & & \text{Revised} \\ \text{decreased} & & (0.31) & & \text{HCP} \\ \text{income} & & & & \end{array}$$

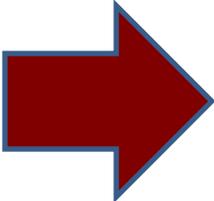
Reported Income Decrease Process



Income Change: Increase

- Borrowers are REQUIRED to report when their income increases above a certain threshold for 3 consecutive months.
 - “Mandatory Reporting Amount”
 - Stated in Loan Description Acknowledgment at ¶ 5 AND in Closing Letter
 - “Threshold for notification of income increase” available in HLP 
- Borrower must provide documentation of current income AND sign Assistance Modification Affidavit

Mandatory Reporting Amount (MRA)

Lesser of  Income at Approval + \$750
or
First Mortgage Payment
Divided by 0.31 (affordability test)

$$\$1,580 + \$750 = \$2,330$$

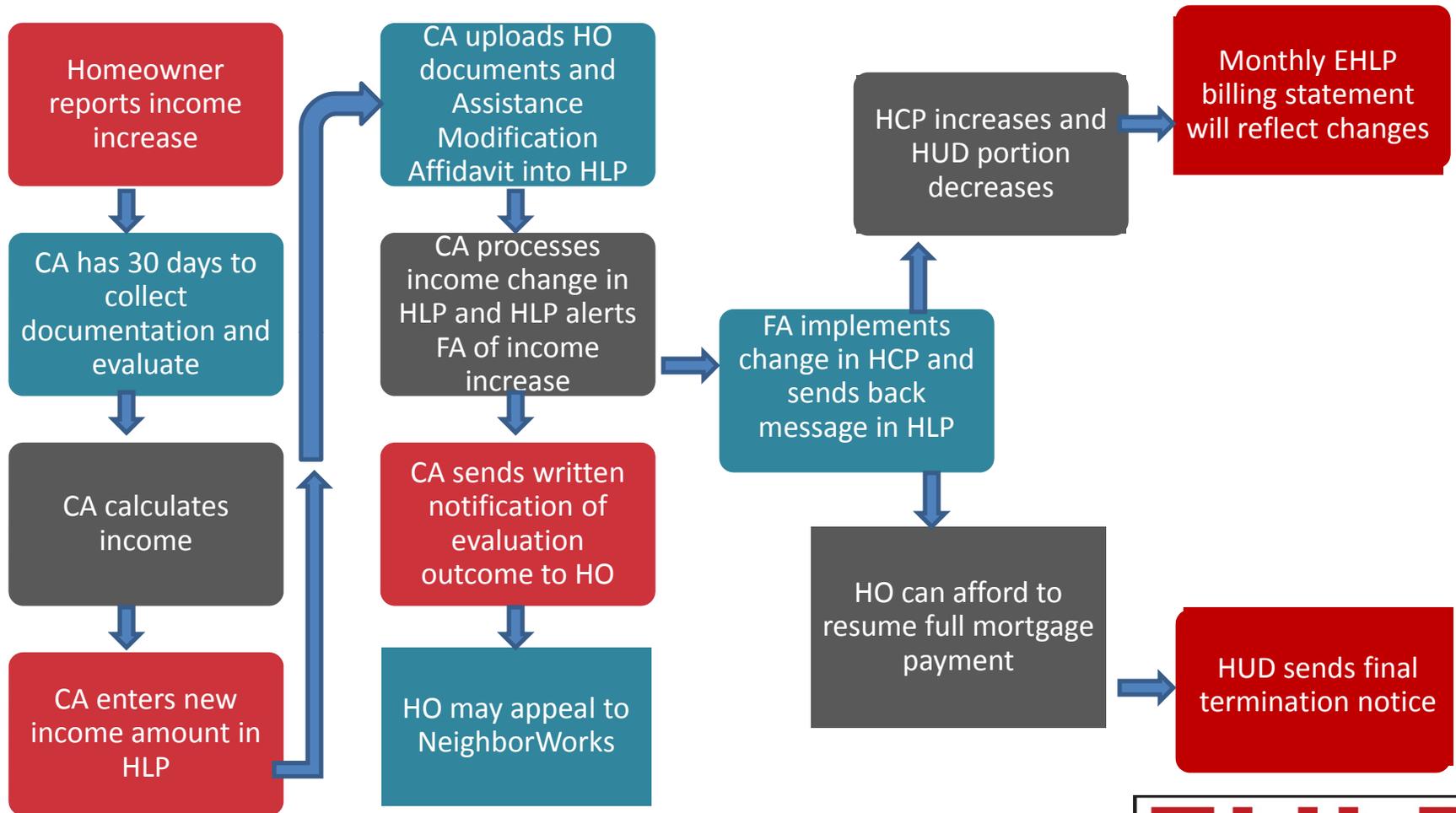
$$\$1,143 \div 0.31 = \$3,687$$

Calculating Income Increases: Example

$$\begin{array}{ccccccc} \$1,580 & \times & 31\% & = & \$489.80 \\ \text{Income at} & & & & \text{Original} \\ \text{approval} & & (0.31) & & \text{HCP} \end{array}$$

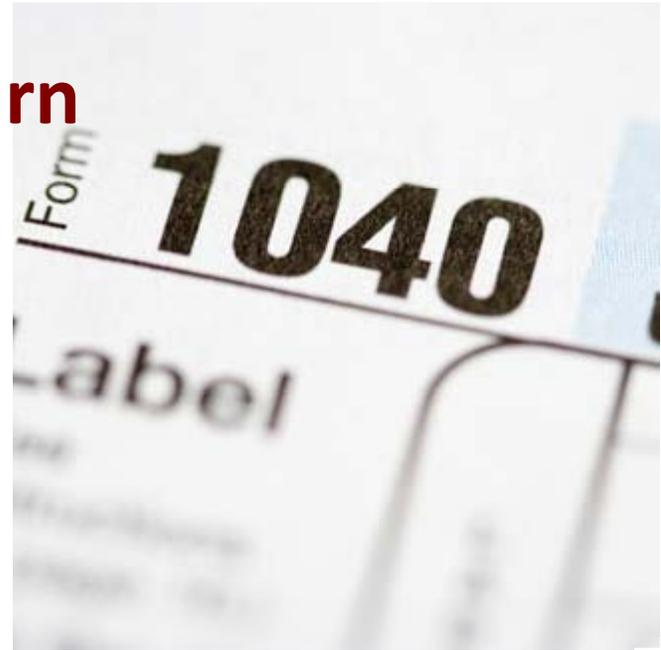
$$\begin{array}{ccccccc} \$2,500 & \times & 31\% & = & \$775 \\ \text{New} & & & & \text{Revised} \\ \text{increased} & & (0.31) & & \text{HCP} \\ \text{income} & & & & \end{array}$$

Reported Income Increase Process



Calculating Self Employed Monthly Income

Use most recent return



Self-Employed Income*



Rental Income



Alimony Income



Dividend & Interest Income

Total Income

÷ 12

* Based on tax return including applicable schedules and Audited Year-To-Date Profit and Loss Schedule

EHL P
Emergency
Homeowners'
Loan Program

Calculating Non-Self Employed Monthly Income

Use most recent 4 weeks' documentation

Wages



Unemployment



Disability/SSI/TANF



Pensions/Annuities/Retirement

Total Income



12

Remember:

- **Use Gross Income**
- **Annualize**
- **Divide by 12**



EHL P
Emergency
Homeowners'
Loan Program

Calculating Seasonally Employed Monthly Income



If employment income fluctuates by more than 50%

Most Recent Year AGI Income



12



Part 2: HOPE LoanPort



EHLP Income Change and Raise Alert Walkthrough

Hope LoanPort[®] is a national, nonprofit ecommerce platform bringing efficiency, consistency & transparency to the processing of foreclosure alternatives.

- This process is to show a counselor how to enter an income change request in Hope LoanPort[®]
- These changes can only be made to cases that are in a status of “Active Assistance”.

Servicer	Test Servicer 1	Loan #	100620110830457	Cas
Property Address	87776 Johnson Road Thurston Ave NA Milwaukee, King County Washington 23423	Case ID	25417	Cas
Homeowner Name	Harry Hamilton			

Financial Information

Income

Expenses

Assets

Liability

Credit Score

 Printable version to Mail/Fax

Homeowner Income Details

Enter your Income Details below.



Gross Wages/Salaries (monthly amount) *

\$

Please enter total of consecutive paystu

Estimated Self-Employment or other earned income e.g. Rental Income for past month *

\$

Please enter Self-Employment Form 2010 1040. S... 1040A, then this is sole proprietorship

1. Open the case in HLP and access the financial tab.
2. Enter new financial information

Estimated Self-Employment or other earned income e.g. Rental Income for past month *	\$ <input type="text" value="40.00"/>	Please enter Self-Employment Form 2010 1040. Sum line 2010 1040A, then this is 02Q plus (if sole proprietors
Unemployment income for the month *	\$ <input type="text" value="20.00"/>	Provide unemployment of four(4) weeks..
Estimated Alimony *	\$ <input type="text" value="20.00"/>	Please enter amount from Form 482, Line 2L
Disability Income/SSI for the month *	\$ <input type="text" value="30.00"/>	Provide Disability/SSI che weeks.
TANF (welfare)	\$ <input type="text" value="40.00"/>	Provide TANF checks for t
Other monthly income from pensions, annuities, or retirement plans *	\$ <input type="text" value="50.00"/>	Provide pension/annuity o (4) weeks
Dividend, and Interest Income *	\$ <input type="text" value="40.00"/>	Please enter amount from 9a, 13, 14, 15b, 21. Form PR Form 482 Sum Lines 2
Net Income Total	\$ 1,500.00	

Please [click here](#) to enter Expenses Details.



3. Click Save

LoanPort

This is a DEMO SITE

Dashboard	Case Search	New Case	Case Information	Financial	Q & A	Documents	Tracking	Notes	Messages	Help
Servicer	HOPE LoanPort Servicer			Loan #	54545454		Ca:			
Property Address	555 Amber Twist Way Northville, Oakland Michigan 48169			Case ID	8306		Ca:			
Homeowner Name	Gladys Kravitz									

47	Puerto Rico Property Legal Description		Upload			
48	Active Duty Orders		Upload			
49	Post-Closing Income Change Documentation	1stpage.pdf	View	Remove	Nelson Saturday	02/20/2012
50	Post-Closing Hardship Waiver Supporting Documentation		Upload			
51	Post-Closing HUD Letter		Upload			

4. Access the document page and upload any necessary documents.

***Post-closing income change documentation should contain one PDF with ALL Income Change Documentation.

This is a DEMO SITE

LoanPort

Dashboard

Servicer

Property Address

Homeowner Name

47	Puerto Rico Property Legal Description	
48	Active Duty Orders	
49	Post-Closing Income Change Documentation ←	1stpage.pdf
50	Post-Closing Hardship Waiver Supporting Documentation	
51	Post-Closing HUD Letter	

47	Puerto Rico Property Legal Description	
48	Active Duty Orders	
49	Post-Closing Income Change Documentation	
50	Post-Closing Hardship Waiver Supporting Documentation	<input type="button" value="Upload"/>
51	Post-Closing HUD Letter	<input type="button" value="Upload"/>

4. Access the document page and upload any necessary documents.

***Post-closing income change documentation should contain one PDF with ALL Income Change Documentation.

Case Information			
Case ID	23917		
Case Open Date	06/23/2011	Close Case Date	
Close Reason			
Close Remarks			
EHLP Assistance Calculations	click here	Process Income Change	Raise Alert

5. Go to the Case Information Tab and click “Process Income Change” to review the new income information that has been entered.



Process Income Change			
Most Recent Income Information		This Change	
Last Action	Eligibility	Is this recertification?	<input type="checkbox"/> 07/30/2013
Date of Last Action	12/21/2011		
Total First Lien Monthly Mortgage Payment	\$958.00	Borrower	Co-Borrower Total
2nd lien payment amount	\$0.00	Monthly Current Income	\$1,800.00 \$0.00 \$1,800.00
		New Homeowner Contribution Payment	\$558.00
		New Threshold for notification of income increase	\$2,550.00

This is the screen that will appear.

Process Income Change ✕

Most Recent Income Information		This Change		
Last Action	Eligibility	Is this recertification?	<input type="checkbox"/>	07/30/2013
Date of Last Action	12/21/2011			
Total First Lien Monthly Mortgage Payment	\$958.00	Borrower	Co-Borrower	Total
2nd lien payment amount	\$0.00	Monthly Current Income	\$2,600.00	\$0.00
HUD's Contribution to First Lien Mortgage	\$322.00	New Homeowner Contribution Payment		N/A
Homeowner Contribution Payment toward First Lien	\$636.00	New Threshold for notification of income increase		N/A
Total Monthly Income (all borrowers) used to calculate homeowner contribution	\$2,050.00	New Threshold for notification of income decrease		N/A
Threshold for notification of income increase	\$2,250.00	New Income threshold To Exit Program		N/A
Threshold for notification of income decrease	\$1,640.00	Does this borrower have a hardship waiver uploaded on Documents screen?		No
Income threshold To Exit Program	\$2,550.00	Result : CA alert that income increase triggers program exit (91/9110)		

Process Income Change


Note:
 1) Upload Hardship waiver if applicant is seeking a Hardship Waiver.
 2) Upload post closing income change document if applicable.

6. To submit the income change request, click “Process Income Change.”

***If you found that you have made an error, you can start from the beginning and process another income change before 11:59PM EST **on the same day.**

Process Income Change
✕

Most Recent Income Information		This Change		
Last Action	Eligibility	Is this recertification? <input type="checkbox"/>		07/30/2013
Date of Last Action	12/21/2011	Borrower	Co-Borrower	Total
Total First Lien Monthly Mortgage Payment	\$958.00	Monthly Current Income	\$2,600.00	\$0.00
2nd lien payment amount	\$0.00	New Homeowner Contribution Payment		N/A
HUD's Contribution to First Lien Mortgage	\$322.00	New Threshold for notification of income increase		N/A
Homeowner Contribution Payment toward First Lien	\$636.00	New Threshold for notification of income decrease		N/A
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Threshold for notification of income increase	\$2,250.00	Does this borrower have a hardship waiver uploaded on Documents screen?		No
Threshold for notification of income decrease	\$1,640.00	Result : CA alert that income increase triggers program exit (91/9110)		
Income threshold To Exit Program	\$2,550.00			

Process Income Change

Note:

- 1) Upload Hardship waiver if applicant is seeking a Hardship Waiver.
- 2) Upload post closing income change document if applicable.

***If the change is significant enough for the homeowner to exit the program, the CA will see the notice above.

Process Income Change ✕

Most Recent Income Information		This Change																														
Last Action	Eligibility	Is this recertification?		07/30/2013																												
Date of Last Action	12/21/2011	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Borrower</th> <th style="width: 20%;">Co-Borrower</th> <th style="width: 30%;">Total</th> </tr> </thead> <tbody> <tr> <td>Monthly Current Income</td> <td style="text-align: right;">\$2,600.00</td> <td style="text-align: right;">\$0.00</td> <td style="text-align: right;">\$2,600.00</td> </tr> <tr> <td>New Homeowner Contribution Payment</td> <td></td> <td></td> <td style="text-align: right;">N/A</td> </tr> <tr> <td>New Threshold for notification of income increase</td> <td></td> <td></td> <td style="text-align: right;">N/A</td> </tr> <tr> <td>New Threshold for notification of income decrease</td> <td></td> <td></td> <td style="text-align: right;">N/A</td> </tr> <tr> <td>New Income threshold To Exit Program</td> <td></td> <td></td> <td style="text-align: right;">N/A</td> </tr> <tr> <td>Does this borrower have a hardship waiver uploaded on Documents screen?</td> <td></td> <td></td> <td style="text-align: right;">No</td> </tr> </tbody> </table>				Borrower	Co-Borrower	Total	Monthly Current Income	\$2,600.00	\$0.00	\$2,600.00	New Homeowner Contribution Payment			N/A	New Threshold for notification of income increase			N/A	New Threshold for notification of income decrease			N/A	New Income threshold To Exit Program			N/A	Does this borrower have a hardship waiver uploaded on Documents screen?			No
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Process Income Change

Note:
 1) Upload Hardship waiver if applicant is seeking a Hardship Waiver.
 2) Upload post closing income change document if applicable.

***Note that the Total Monthly Income for all borrowers used to calculate the original homeowner contribution is listed in the red box above.

Case Information			
Case ID	23917		
Case Open Date	06/23/2011	Close Case Date	
Close Reason			
Close Remarks			
EHLP Assistance Calculations	click here	Process Income Change	Raise Alert



7. To view the history of all Income Change Requests, please go to the Case Information Tab and select “Click Here” next to EHLPA Assistance Calculations.

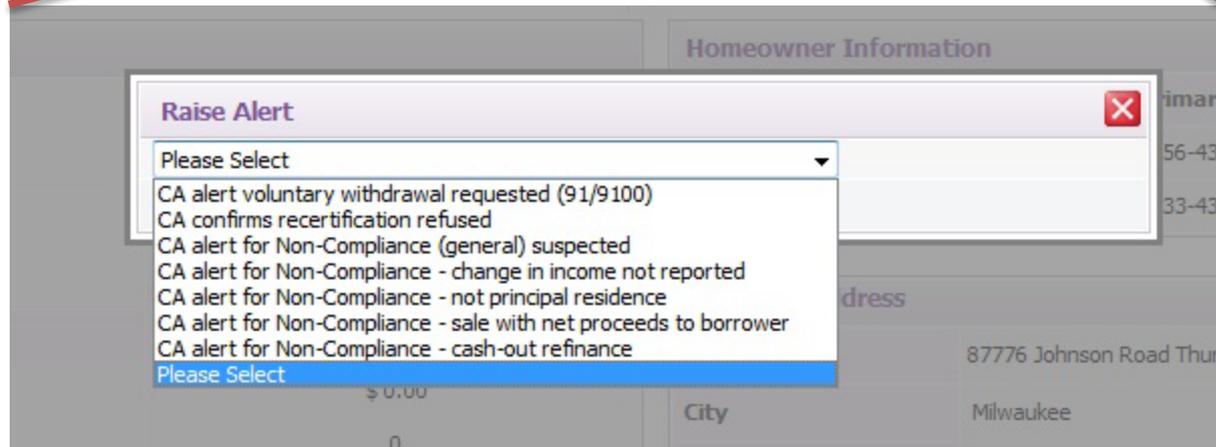
EHLP calculated values									
	Date	Total First Lien Monthly Mortgage Payment	HUD assistance amount	Homeowner contribution amount	Hardship Waiver Status	Total assistance amount	Threshold for notification of income increase	Threshold for notification of income decrease	Income threshold to exit program
Calculated by CA	12/10/2011	\$958.00	\$465.00	\$489.00	No	\$10,230.00	\$2,326.00	\$1,261.00	\$3,076.00
HUD approved at closing	01/10/2012	\$958.00	\$322.00	\$635.00	No	\$7,084.00	\$2,250.00	\$1,640.00	\$2,550.00
Income Change 1	02/22/2012	\$958.00	\$400.00	\$558.00	No	\$7,084.00	\$2,134.00	\$1,107.00	\$3,076.00

After that, you should see the screen above.

- This process is to show a counselor how to Raise an Alert in Hope LoanPort[®]

Case Information			
Case ID	23917		
Case Open Date	06/23/2011	Close Case Date	
Close Reason			
Close Remarks			
EHLP Assistance Calculations	click here	Process Income Change	Raise Alert

1. Go to the Case Information Tab and click "Raise Alert."



Homeowner Information

Raise Alert

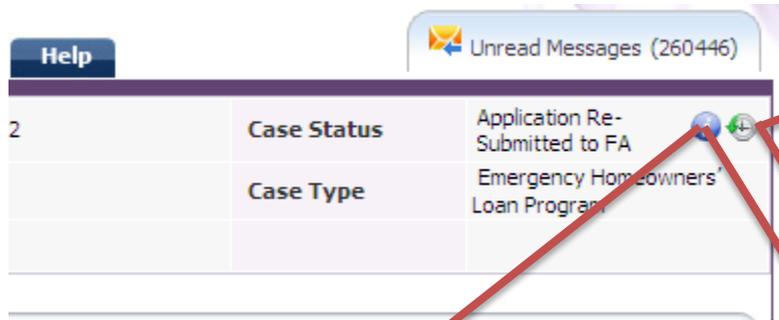
Please Select

- CA alert voluntary withdrawal requested (91/9100)
- CA confirms recertification refused
- CA alert for Non-Compliance (general) suspected
- CA alert for Non-Compliance - change in income not reported
- CA alert for Non-Compliance - not principal residence
- CA alert for Non-Compliance - sale with net proceeds to borrower
- CA alert for Non-Compliance - cash-out refinance

Please Select

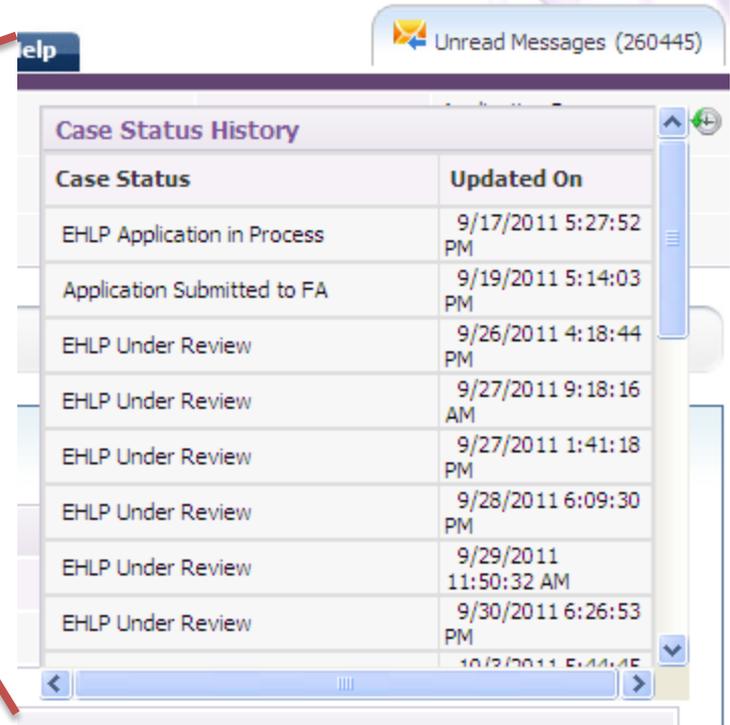
2. Select the alert you would like to raise.

- How to find update messages from the FA (ex: notification that an income change has been implemented by the FA)



Case Status	Application Re-Submitted to FA
Case Type	Emergency Homeowners' Loan Program
Unread Messages (260446)	

1. The blue “i” button will pop up the most recent sub-status update for the case.



Case Status	Updated On
EHLP Application in Process	9/17/2011 5:27:52 PM
Application Submitted to FA	9/19/2011 5:14:03 PM
EHLP Under Review	9/26/2011 4:18:44 PM
EHLP Under Review	9/27/2011 9:18:16 AM
EHLP Under Review	9/27/2011 1:41:18 PM
EHLP Under Review	9/28/2011 6:09:30 PM
EHLP Under Review	9/29/2011 11:50:32 AM
EHLP Under Review	9/30/2011 6:26:53 PM

2. The little clock with the green arrow will pop up with the case status history (all status and sub-status updates between the CA, FA and HUD).

3. Remember, you can also find all the case status and sub-status messages under the “Messages” tab.

EHLP Income Change and Raise Alert Walkthrough

Questions?



Questions