



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 (EHLF). The manual provides a clear and detailed explanation of the process for appealing EHLF eligibility determinations. This manual serves as the primary source of reference for the appeal processes under EHLF that will be undertaken by NeighborWorks America: (1) the Pre-Applicant Initial Eligibility Appeal, (2) the EHLF Borrowers Recertification Eligibility Appeal, and (3) Income Adjustments that occur anytime within the two-year program assistance period.

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

Pre-Applicant Initial Eligibility Appeals for Pre-Applicants

"Pre-Applicant" refers to a homeowner who is in the process of applying to participate in EHLF and has submitted a Pre-Applicant screening worksheet during the lottery process. A Pre-Applicant is also a homeowner who is working with a counseling agency, post lottery, to submit a formal EHLF application for assistance and is waiting an eligibility determination. A *"Pre-Applicant Appeal"* is the process by which homeowners may request review of the Counseling Agency post lottery determination that they are ineligible for EHLF assistance.

The Pre-Applicant Initial Eligibility Process

Eligible Pre-Applicants will be selected by the lottery to work with their Counseling Agency to assemble all required documentation to prove eligibility and apply for an EHLF loan. The program is on a very tight timeline; it is of utmost importance for Pre-Applicants to provide the required information and documentation when requested. Pre-Applicants who are missing required documentation are prohibited from submitting a full EHLF application. Under any circumstance where a Counseling Agency determines a Pre-Applicant is missing documentation, those applicants do not have the right to appeal this determination.

Once all the required documentation has been provided within the timeframe requested, the Counseling Agency will review the documentation along with a current credit report to determine whether the homeowner meets all HUD eligibility criteria.

Should the Counseling Agencies determine that Pre-Applicants' application packages do not meet all required program eligibility criteria, the Counseling Agencies will formally notify the Pre-Applicants of their ineligibility to receive EHLF assistance. Counseling Agencies must inform Pre-Applicants of their right to appeal this determination. The appeal provides a second review of the submitted documentation and confirms whether or not the application materials were correctly evaluated by the Counseling Agency.

The appeal is conducted outside the Counseling Agency by external reviewers and staff at NeighborWorks America. **Pre-Applicant homeowners who want to appeal must submit copies of**

their required documentation directly to NeighborWorks America **postmarked within five business (5) days of** the dated notification of their ineligibility status from the Counseling Agency.

All appeal packages shall be sent to:

**NeighborWorks America
ATTN: EHLA Appeals- N. Harmon
1325 G. Street NW., Suite 800
Washington DC 20005**

NeighborWorks will have a maximum of **14 business days** to undertake and respond to the requested appeal. All Pre-Applicant appeal requests must be received by NeighborWorks by **August 29, 2011** to complete appeal reviews in time for processing EHLA loan applications prior to the **September 30, 2011** statutory program deadline.

NeighborWorks will notify the Pre-Applicant and Counseling Agency (including the direct EHLA Grantee) of the result of the appeal. All NeighborWorks appeal determinations are final. If NeighborWorks determines the Pre-Applicant is ineligible, the Counseling Agency's original determination will remain and the Pre-Applicant will have no further recourse. If NeighborWorks finds the Pre-Applicant to be eligible for EHLA assistance, they will instruct the Counseling Agency to continue processing the EHLA application and submit it to the Fiscal Agent for processing.

NOTE: It is possible that the Fiscal Agent will find homeowner ineligible during the next stage of the application process. Homeowners should work with the Counseling Agency to correct any problems at this stage. NeighborWorks will not review findings of ineligibility made at this stage.

Eligibility Recertification Appeals Process for EHLA Borrowers

A "*Borrower*" refers to an Approved Applicant by HUD who has executed all necessary EHLA loan documents and is a participant in the EHLA program. A *Borrower Appeal* is the process by which homeowners may request review of a Counseling Agency determination at the time of the one-year recertification of their EHLA assistance.

The Borrower Recertification Eligibility Process

EHLA Borrowers are required to work with their Counseling Agency to recertify their eligibility for continued program assistance within 12 months of HUD's approval of their EHLA loan. Counseling Agencies will remind Borrowers that updated versions of the same income and principal residency documentation initially submitted at the time of application must be provided as part of the annual recertification. Once all required documentation has been provided within the timeframe requested, the Counseling Agency will review the documentation provided to determine whether the Borrower continues to meet the HUD eligibility criteria.

Any Borrowers who fail to respond to the Counseling Agency's request for supporting documentation will have their assistance terminated by the Fiscal Agent. Borrowers who are

disqualified due to a failure to provide the necessary documentation will not have a right to appeal.

Should the Counseling Agency determine that a Borrower's recertification package does not meet all required program eligibility criteria, the Counseling Agency will formally notify the Borrower of their ineligibility to remain in the program and continue receiving EHLA assistance. Counseling Agencies must inform affected Borrowers of their right to request an appeal of the ineligibility determination.

EHLA borrowers opting for an appeal must have the request and required documentation sent to NeighborWorks America postmarked within ten (10) days of receiving the dated notification of their ineligibility status from the Counseling Agency.

Appeal packages shall be sent to NeighborWorks America (see page 3 for address).

NeighborWorks will have a maximum of **14 business days** to review and respond to the requested appeal. The appeal will be reviewed independent of the Counseling Agency by external reviewers and by NeighborWorks staff.

Borrowers found eligible for ongoing EHLA assistance as a result of the appeal will be notified of this determination by NeighborWorks. NeighborWorks will also instruct the Counseling Agency (including the direct EHLA Grantee) to continue processing the EHLA recertification package and notify the Fiscal Agent if any adjustments in Borrower assistance and contribution amounts are needed.

Borrowers who are found to be ineligible after the appeal will be notified of their ineligibility to continue receiving EHLA assistance. The Borrower will have no further recourse as all NeighborWorks decisions are final.

If NeighborWorks does not receive a Borrower's appeals request postmarked within ten (10) business days of the counseling agency's dated notification of ineligibility, the Borrower will have forfeited their right to appeal this decision and will be found ineligible for continued assistance. The Counseling Agency will notify the Fiscal Agent of this decision, and the Borrower's assistance will be terminated by the Fiscal Agent according to EHLA policies and procedures.

Appeals of Eligibility Determinations Based on Reported Income Changes

At anytime during the two-year assistance period after Pre-Applicant eligibility is determined, Borrowers are required to report to their Counseling Agency any income changes that meet certain thresholds. These income changes will result in adjustments to the amount of the monthly EHLA payment and the Borrower's monthly contribution amount. Borrowers may appeal the Counseling Agency's determination resulting from the reported income changes. These appeals will follow the same required process and notification for Borrower Recertification appeals. However, under this stage the only eligibility criteria considered will be income.

Reasons for Ineligibility Determinations

During Pre-Applicant, Borrower Recertification, or Income Adjustment reviews, a Counseling Agency may determine a homeowner ineligible for EHLP assistance for the reasons listed below. If such a determination is made, then the homeowner will receive a letter from the Counseling Agency clearly indicating the reasons for ineligibility.

- The combined 2009 (or 2008) adjusted gross income of all persons listed on the 1st lien mortgage and/or promissory note is greater than \$75,000 or 120% of the area median income, as determined by HUD, of the county where the mortgaged property is located.
- The homeowner suffered a reduction in income due to reasons other than involuntary economic conditions or medical emergency.
- The mortgaged property is not the principal residence.
- As of June 1, 2011, the Applicant was less than 90 days delinquent on the 1st lien mortgage loan.
- The Applicant did not receive notice from the 1st lien mortgage lender/servicer indicating that the holder of the 1st lien mortgage intends to foreclose.
- There are more than two open liens recorded against the mortgaged property.
- The Applicant is subject to an open Federal tax lien.
- The Applicant is delinquent on federal debt.
- The Applicant is not a U.S. citizen, non-citizen national or qualified alien under the applicable statute, nor is any other person(s) named on the 1st lien mortgage.
- The Applicant is currently in bankruptcy.
- The mortgaged property is not covered by a flood insurance policy, although the mortgaged property is located in a flood zone.
- There was a scheduled foreclosure sale of the mortgaged property within 30 days of July 22, 2011.
- In the 12 month calendar year prior to the Applicant becoming unemployed or underemployed, the Applicant had more than one 60-day+ late payment on the 1st lien mortgage, and/or the 2nd lien mortgage.
- The combined current income of all persons listed on the 1st lien mortgage is greater than 85% of the combined income of all persons listed on the 1st lien mortgage prior to the Applicant becoming involuntarily unemployed or underemployed.
- Mortgage cost burden is not high enough (<31% of the combined income of everyone listed on the 1st lien mortgage).
- Assistance greater than \$50,000 would be needed in order to cure the arrearages and provide monthly mortgage payment assistance for the remaining 23 months of assistance.

Appeal Process and Procedures

If the Counseling Agency determines that a Pre-Applicant's or Borrower's package submission remains incomplete or otherwise does not meet all program eligibility criteria, the Counseling Agency may not forward it to the Fiscal Agent.

As noted in the Overview above, all Pre-Applicant packages will be reviewed by the Counseling Agency during the first round of quality control before Pre-Applicants are notified as to whether

their applications will be forwarded to the Fiscal Agent and HUD for funding. Counseling Agencies will uniformly attempt to correct any application errors, documentation deficiencies, or other issues in cooperation with the Pre-Applicant before an application package is determined to be ineligible.

Counseling Agency Notification of Ineligibility

The Counseling Agency is required to provide written notification to the Pre-Applicant within five (5) business days through US postal mail or email (in each case where the Pre-Applicant has provided the Counseling Agency with an email address) of the reasons for the ineligibility determination. The Counseling Agency's notification must inform the Pre-Applicant or Borrower of the right to request an appeal by NeighborWorks America to confirm whether or not the application materials were correctly evaluated by the Counseling Agency. All counseling Agencies are encouraged to contact the Pre-Applicant or Borrower by **telephone and/or email** to ensure the ineligibility notification was received and offer an appointment to discuss other forms of loss mitigation assistance and/or alternatives to foreclosure.

Appeal Requirements

The Pre-Applicant's appeal request must be sent by the Pre-Applicant to NeighborWorks America via certified mail and received by NeighborWorks postmarked within **five (5) business days** of the date of the Counseling Agency's notification. The Borrower's appeals request must be sent by the Borrower to NeighborWorks America via certified mail and received by NeighborWorks postmarked within **ten (10) business days** of the date of the Counseling Agency's notification. The Pre-Applicant or Borrower's Request for Review must describe how the Counseling Agency is in error and include all documentation that supports the Pre-Applicant's or Borrower's contention of the Counseling Agency error in evaluating the program eligibility criteria.

Criteria and Documentation Required for Pre-Applicant Eligibility

Pre-Applicants must list one or more of the following criteria in their appeals request when explaining why the Counseling Agencies were mistaken in making the determinations of ineligibility. NeighborWorks America will review the Pre-Applicants' appeal materials to determine whether they meet the submission standards for each applicable appeal category listed below. Pre-Applicant appeal submissions that do not meet this standard will not be processed by NeighborWorks America, and instead will be returned to the Pre-Applicant.

- **Delinquency and imminent risk of foreclosure**

This is documented by the Pre-Applicant's breach letter (provided by the Pre-Applicant), and by a review of the Pre-Applicant's credit report (generated by the Counseling Agency).

 - In order to appeal under this criterion, the Pre-Applicant must submit a copy of the breach letter
 - **AND** a copy of the credit report showing that the 1st lien mortgage was at least 3 months delinquent as of June 1, 2011.

- The Pre-Applicant may submit a more recent tri-merged credit report.
- **Unemployment/underemployment**

This is documented by a letter from the Pre-Applicant's employer describing that his or her position has been terminated or describing how his or her wages have been reduced. In lieu of any such letter from the employer, Pre-Applicants can also submit an affidavit attesting to unemployment/underemployment if they are self-employed or if their employer is no longer in business and a letter is unavailable or unattainable.

 - To appeal under this criterion, Pre-Applicants must submit a copy of the letter from their employer describing how their position has been terminated or describing how their wages have been reduced;
 - **OR**, in lieu of any such letter from the employer, the Pre-Applicants must submit a signed and dated affidavit attesting to unemployment/ underemployment if they are self-employed or if their employer is no longer in business and a letter is unavailable or unattainable.
- **Principal residence**

This is documented by the most recent/current copy of the Pre-Applicants' residential utility bill, e.g. telephone, electric, water.

 - To appeal under this criterion, Pre-Applicants must submit a copy of the utility bill (for example, telephone, water, or electric bill) that was submitted with the Pre-Application package,
 - **AND**, the address on the utility bill must match the address entered on the *Pre-Applicant's Screening Worksheet*,
 - **AND**, both of these addresses must match the address given by the Pre-Applicant during the application appointment with the Counseling Agency that was entered into CMAX/HLP.
- **Delinquent federal debt**

This is documented by the Counseling Agency's review of the Pre-Applicant's credit report (which is generated by the Counseling Agency).

 - To appeal under this criterion, the Pre-Applicant must produce documentation showing that the delinquency in question has been resolved between the Pre-Applicant and the federal creditor. For example, if the Pre-Applicant's credit report shows delinquent federal student loan payments, then the Pre-Applicant must provide a letter from the holder of the federal student loan debt describing how the loan payments have been deferred, how the Pre-Applicant has been approved for a loan forbearance, or how the delinquency has been cured- including repayment plans with federal creditors;
 - **OR**, the Pre-Applicant may also submit a current copy of his or her credit report evidencing that there are no delinquent federal debt payments.
- **Presence of federal lien on the subject property**

This is documented by the Counseling Agency's review of the Pre-Applicant's credit report (which is generated by the Counseling Agency).

 - In order to appeal under this criterion, the Pre-Applicant must produce documentation showing that the lien in question has been satisfied or forgiven and is no longer recorded against his or her property.
 - This can include a copy of the Release of Lien document provided by the Pre-Applicant's creditor,

- **OR** a copy of the Pre-Applicant's tri-merge credit report that is submitted by the Pre-Applicant and which does NOT show that a federal lien has been recorded against his or her property.
- **Total number of property liens**
This is documented by the Counseling Agency's review of the Pre-Applicant's credit report (which is generated by the Counseling Agency).
 - In order to appeal under this criterion, the Pre-Applicant must produce documentation showing that the liens in question have been satisfied or forgiven and are no longer recorded against his or her property.
 - This can include a copy of the Release of Lien document provided by the Pre-Applicant's creditor,
 - **OR** a copy of the Pre-Applicant's tri-merged credit report that is submitted by the Pre-Applicant and which does NOT show that there are more than two (2) total liens recorded against his or her property.
- **Bankruptcy status**
This is documented by the Counseling Agency's review of the Pre-Applicant's credit report (which is generated by the Counseling Agency).
 - In order to appeal under this criterion, the Pre-Applicant must produce documentation showing that the court has either denied the application requesting bankruptcy protection for his or her debts,
 - **OR**, a Notice of Discharge or equivalent court-issued document demonstrating that his or her debts have been discharged from bankruptcy as of the date of the appeal submission.
- **Total number of 60-day late payments during the applicable 12-month calendar year period of 2008, 2009, or 2010**
This is documented by the Counseling Agency's review of the Pre-Applicant's credit report (which is generated by the Counseling Agency).
 - In order to appeal under this criterion, the Pre-Applicant must generate and submit a copy of his or her credit report. The Pre-Applicant may submit a more recent tri-merged credit report.
 - **AND**, it must demonstrate that the Pre-Applicant has had between 0-1 delinquent payments on each of his or her 1st mortgage and 2nd mortgage, during the applicable 12-month calendar year period of 2008, 2009, or 2010.
- **Flood insurance policy in good standing (where required)**
This is self-reported by the Pre-Applicant, but it is still possible that a mistake can be made as to whether or not the Pre-Applicant does live in a flood zone, as well as whether or not the Pre-Applicant's principal residence is covered by a flood insurance policy.
 - In order to appeal under this criterion, the Pre-Applicant must submit a signed and dated affidavit attesting to the fact that his or her principal residence is NOT located within a flood zone,
 - **AND** a current Federal Emergency Management Administration (FEMA) flood zone map for his or her address
(http://www.floodsmart.gov/floodsmart/pages/flooding_flood_risks/map_update_schedule.jsp),

- **OR**, the Pre-Applicant must submit a copy of the flood insurance policy that is currently insuring his or her principal residence from damage caused by flooding.
- **Citizenship/immigrant/resident status**
This is documented by the Counseling Agency's review of Pre-Applicant's US citizen, US national non-citizen, or qualified alien documentation.
 - In order to appeal under this criterion, the Pre-Applicant must submit copies of any of the specified documentation attesting to his or her status as a US citizen, a US national non-citizen, or a qualified alien status,
 - **AND**, the Pre-Applicant must also submit copies of any of the specified documentation for each additional person named on his or her 1st lien mortgage.

Citizenship and Immigration Documentation

Proof of United States Citizenship or status as a United States non-citizen national can be shown by one (or more) of the following:

- A birth certificate showing birth in one of the 50 United States, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, Swain's Island or the Northern Mariana Islands, unless the person was born to foreign diplomats residing in the U.S.;
- **OR**, United States passport (except limited passports, which are issued for periods of less than five years);
- **OR**, other documents as approved by HUD.

NOTE: If the Pre-Applicant will certify that he or she is a U.S. Citizen or U.S. non-citizen national, then Counseling Agencies may forward other documents presented by the Pre-Applicant for HUD to make this determination. A list of other acceptable documentation can be found on www.FindEHL.org.

A qualified alien is a person who meets one (or more) of the following requirements:

- An alien granted Permanent Resident Alien Status under the Immigration and Nationality Act (INA);
- **OR**, an alien granted asylum under section 208 of the INA;
- **OR**, a refugee admitted to the United States under section 207 of the INA;
- **OR**, an alien paroled into the United States under section 212(d)(5) of the INA for a period of at least one year;
- **OR**, an alien whose deportation is being withheld under section 243(h) of INA as in effect prior to April 1, 1997, or whose removal is being withheld under section 241(b)(3) of INA;
- **OR**, an alien granted conditional entry under section 203(a)(7) of INA as in effect prior to April 1, 1980;
- **OR**, an alien who is a Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980;
- **OR**, a U.S. citizen or Legal Permanent Resident's battered spouse, or child;

- **OR**, parent or child of such battered person, and otherwise satisfies the requirements of 8 USC 1641(c);
- **OR**, Native North American Indians born in Canada and possess at least 50% American Indian blood or members of a Federally-recognized tribe born outside of the United States;
- **OR**, Amerasian Immigrants;
- **OR**, Certain Hmong or Highland Laotian tribe members;
- **OR**, Veteran, spouse, unmarried surviving spouse and unmarried dependent child of a U.S. veteran who fulfilled minimum active duty requirement (2 years);
- **OR**, Active Military duty or a member of the U.S. Armed Forces on full-time duty in the Army, Navy, Air Force, Marine Corp or Coast Guard, spouses and dependent children;
- **OR**, U.S. non-citizen national as defined by the United States federal government;
- **OR**, Victims of Human Trafficking who have been certified (adults) or received an eligibility letter (children) by the Office of Refugee Resettlement (ORR);
- **OR**, Special Immigrant Visa holders – Iraqi and Afghan.

Additional Citizenship Guidance can be found here:

http://findehlp.com/documents/EHLP_CitizenshipshipandQualifiedAlienRequirements_2.pdf

- **Pre-event income**

This figure is calculated by the Counseling Agency using the AGI figure from the Pre-Applicant's 2009 federal income tax return. In cases where the Pre-Applicant has one or more additional persons named on his or her 1st lien mortgage, a 2009 federal tax return is also required for each such co-signor. In each such case, the pre-event income figure is represented by the sum of all AGI amounts reported by the Pre-Applicant and each co-signor.

- In order to appeal under this criterion, the Pre-Applicant must submit a copy of his or her 2009 federal income tax return, as well as the 2009 federal income tax return of each additional co-signor named on his or her 1st lien mortgage.
- Pre-Applicants, who became unemployed or under-employed during 2009, must submit their 2008 federal tax return when applying for EHLP. Pre-Applicants, who submitted a 2008 federal tax return as part of their application package, should submit a copy of the 2008 federal tax return if appealing under this criterion.

- **Substantial reduction in income \leq 85%**

This figure is calculated by dividing the Pre-Applicant's current, post-event income by his or her pre-event income. In turn, post-event income is first calculated by the Counseling Agency, which uses the Pre-Applicant's 2009 income tax return and current income docs.

- In order to appeal under this criterion, the Pre-Applicant must submit a signed/completed copy of his or her 2009 income tax return as well as copies of all required current income documentation,

- **AND**, any co-signor(s) named on his or her 1st lien mortgage must submit the same documentation.
- Pre-Applicants who became unemployed or under-employed during 2009 must submit their 2008 federal tax return when applying for EHLF. Pre-Applicants who submitted a 2008 federal tax return as part of their application package should submit a copy of the 2008 federal tax return if appealing under this criterion.

Supporting documentation includes:

- **Wages/Salary:** Paystubs capturing the most recent month or the most recent consecutive four (4) weeks' income.
- **Unemployment:** Copies of unemployment insurance benefit checks capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Disability/SSI:** Copies of Disability /SSI benefit checks capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Pensions/Annuities/Retirement Plans:** Copies of checks/paystubs capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Temporary Aid for Needy Families (TANF):** Copies of checks/paystubs capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Other (Self-Employed Income, Alimony, Dividends, Interest):** Copy of the first two pages of the Pre-Applicant's **2010** federal income tax return (as well as a copy of federal income tax returns for co-signor and/or co-mortgagee named on the 1st lien mortgage).

- **Mortgage cost burden**

This figure is calculated by dividing the Pre-Applicant's current/post-event income by his or her current monthly 1st lien mortgage payment amount. The eligibility threshold is any resulting amount exceeding the greater of \$150 or 31% of the Pre-Applicant's current income.

- In order to appeal under this criterion, the Pre-Applicant must submit the most current copy of his or her monthly 1st lien mortgage statement,
- **AND**, copies of all required documentation specified under Current Income, e.g., paystubs, unemployment benefit statements, etc., for each person named on the 1st lien mortgage.

- **DTI ≤ 55%**

This figure is calculated by dividing the Pre-Applicant's pre-event income by the total outstanding debts, as indicated on his or her credit report along with debts indicated on credit reports for co-signor(s) and/or co-mortgagor(s). These debts include:

1st lien monthly mortgage payments, and 2nd lien payments, as applicable, all revolving debt (such as credit card payments) and installment debt (such as a car payment, except installment debt with 10 or fewer payments remaining).

- The eligibility threshold is a resulting fraction that is less than or equal to 55%.
- In order to appeal under this criterion, the Pre-Applicant must submit a current credit report that is generated within 30 days previous to the appeals submission,

- **AND**, copies of all 2009 federal income tax returns for each person named on the 1st lien mortgage.
- Pre-Applicants who became unemployed or under-employed during 2009 must submit their 2008 federal tax return when applying for EHLA. Pre-Applicants who submitted a 2008 federal tax return as part of their application package should also submit a copy of the 2008 federal tax return if appealing under this criterion.

NeighborWorks America Determinations and Findings

- Pre-Applicant appeal packages that do not meet the specifications described under these Guidelines will not be reviewed by NeighborWorks America. They will be returned by NeighborWorks America to the Pre-Applicant along with a notification that the Pre-Applicant has been determined to be ineligible for EHLA assistance. NeighborWorks America will electronically copy the Counseling Agency to this notification.
- If NeighborWorks America determines that a Pre-Applicant's appeal package meets the standards described under these Guidelines, it will review the Pre-Applicant's materials to determine whether the Counseling Agency made an error in reviewing the documentation, or whether the Pre-Applicant is ineligible for EHLA assistance.
- NeighborWorks America will transmit written notification of its determination to the Pre-Applicant via overnight mail delivery service. Each such notification will be postmarked within **14 business days** from the date of receipt of the Pre-Applicant's appeal package. 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 Pre-Applicant had in fact submitted the required documentation for eligibility, the NeighborWorks America will instruct the Counseling Agency (including direct EHLA Grantee) to submit the Pre-Applicant's package to the Fiscal Agent for processing.
 - If NeighborWorks America determines that Counseling Agency did not err and that the Pre-Applicant had not submitted the required documentation to prove eligibility for the program, NeighborWorks America will notify the Pre-Applicant and Counseling Agency (including direct EHLA Grantee).
 - NeighborWorks America's decision concerning each Pre-Applicant appeal is **final**. No further review of the Pre-Applicant's package is permitted after NeighborWorks America's finding is reached.

NOTE: All Pre-Applicant appeal requests must be received at NeighborWorks America on or before **August 29, 2011** in order to complete appeal reviews in time to potentially submit the application to the Fiscal Agent prior to the commitment of all funds by the statutory **September 30, 2011** deadline. Any Pre-Applicant appeal package that arrives at NeighborWorks America after August 29, 2011, will not be reviewed by NeighborWorks America, and the Pre-Applicant shall remain ineligible for EHLA assistance on the basis of the Counseling Agency's original determination.

Criteria and Documentation Required for Borrower Recertification

Borrowers must list one or more of the following criteria when explaining why the Counseling Agencies were mistaken in making the determinations of ineligibility. NeighborWorks America will review Borrowers' appeal materials to determine whether they meet the submission standards for each applicable appeal category listed below. Appeal requests that do not meet this standard will not be processed by NeighborWorks America, and instead will be returned to the Borrower.

- **Principal residence**

This is documented by the most recent/current copy of the Pre-Applicant's/Borrower's residential utility bill, e.g., telephone, electric, water.

- In order to appeal under this criterion, Borrowers must submit a copy of the utility bill that they submitted with the Recertification package,
- **AND**, the address on the utility bill must match the address entered on the Borrower's screening worksheet,
- **AND**, both of these addresses must match the address given by the Borrower during the application appointment with the Counseling Agency that was entered into CMAX/HLP.

- **Substantial reduction in income ≤ 85**

This figure is calculated by dividing the Borrower's current, post-event income by his or her pre-event income. In turn, post-event income is first calculated by the Counseling Agency, which uses the Borrower's 2009 income tax return and current income docs.

- To appeal under this criterion, the Borrower must submit a signed/completed copy of his or her 2009 income tax return as well as copies of all required current income documentation, **AND** any co-signor(s) named on his or her 1st lien mortgage.
- Borrowers who became unemployed or under-employed during 2009 must submit their 2008 federal tax return when applying for EHLP. Borrowers who submitted a 2008 federal tax return as part of their application package should also submit a copy of the 2008 federal tax return if appealing under this criterion.

Supporting documentation includes:

- **Wages/Salary:** Paystubs capturing the most recent month or the most recent consecutive four (4) weeks' income.
- **Unemployment:** Copies of unemployment insurance benefit checks capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Disability/SSI:** Copies of Disability /SSI benefit checks capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Pensions/Annuities/Retirement Plans:** Copies of checks/paystubs capturing the most recent month or the most recent four (4) consecutive weeks' income.
- **Temporary Aid for Needy Families (TANF):** Copies of checks/paystubs capturing the most recent month or the most recent four (4) consecutive weeks' income.

- **Other (Self-Employed Income, Alimony, Dividends, Interest):** Copy of the first two pages of the Pre-Applicant's **2010** federal income tax return (as well as a copy of federal income tax returns for co-signor and/or co-mortgagee named on the 1st lien mortgage).

Criteria and Documentation Required for Income Adjustments

Borrowers may appeal Counseling Agencies' determinations resulting from Borrowers' reported income changes that occur outside the annual recertification process. These appeals will follow the same required process and notification for Borrower Recertification appeals. The only documentation needed for the appeal are the documents listed above under "Substantial Reduction in Income <85%."

Counseling Agency Appeal Process Responsibilities

Once determinations of ineligibility are made, the Counseling Agencies must provide the following to homeowners:

- *Ineligibility Notification Letter* sent via US postal mail or email. Ineligibility letter must reference link to include the *EHLP Appeal Request Form* OR the *Emergency Homeowners' Loan Program Appeals Manual and Process Procedures*. (See www.findehlp.com for link to Appeals Manual)
- Completed *EHLP Eligibility Checklist Documentation* form or printed *EHLP Calculator Tool Summary page*.
- Return of all original supporting eligibility documents. (Counseling agency must retain copies on file.)
- If applicable, a credit report if retrieved and can be provided directly to the homeowner.
 - In the event the Counseling Agency cannot contractually release the homeowner's credit report, the homeowner will be required to generate and provide a tri-merged credit report with their appeals packet.

Homeowner Appeal Process Responsibilities

Appeal packages submitted by homeowners to NeighborWorks must contain the following:

- *Ineligibility Letter* sent by Counseling Agency.
- Counseling Agency's completed *EHLP Eligibility Checklist Documentation* form or *EHLP Calculator Tool Summary page*.
- *EHLP Appeal Request Form* that must be completed in full by the homeowner. (See www.findehlp.com for link to Appeals Manual)
- Copies of all supporting documentation needing to support the appeal for program eligibility.
- If applicable, a credit report if retrieved by Counseling Agency –or homeowners must provide a more recent tri-merged credit report.
- Mail certified package to NeighborWorks America (see page 3 for address).

Document Templates

Counselor: EHELP Application Ineligibility Letter

<Counseling Agency Letterhead>

Date

Applicant Name
Application Address
City, State Zip
Phone Number

Dear Homeowner,

We are writing to inform you that based upon (1) the information you provided during your application counseling session, and/or (2) our review of the documentation you submitted as part of the EHELP application process, you are ineligible to receive EHELP emergency assistance.

The reason(s) for this ineligibility determination include the following (valid when checked):

- The combined 2009 (or 2008 if applicable) adjusted gross income of all persons listed on your 1st lien mortgage was greater than \$75,000 or 120% of the area median income, as determined by HUD, of the county where the mortgaged property is located.
- You suffered a reduction in income due to reasons other than adverse economic conditions or medical emergency.
- The mortgaged property is not your principal residence.
- As of June 1, 2011, you were less than 90 days delinquent on your 1st lien mortgage loan.
- You have not received notice from your 1st lien mortgage lender/servicer indicating that the holder of your 1st lien mortgage intends to foreclose.
- There are more than two open liens recorded against the mortgaged property.
- Your mortgaged residential property ("principal residence") is subject to an open Federal lien.
- You are delinquent on Federal debt.
- You are not a U.S. citizen, non-citizen national or qualified alien under the applicable statute, nor is any person(s) named on your 1st lien mortgage.
- You are currently in bankruptcy.
- The mortgaged property is not covered by a flood insurance policy, although the mortgaged property is located in a flood zone.
- There was a scheduled foreclosure sale of the mortgaged property within 30 days of the date of your application counseling session.
- In the 12 month calendar year prior to your becoming unemployed or underemployed (2008, 2009, or 2010), you had more than one 60-day+ late payment on either your 1st lien mortgage, and/or on your 2nd lien mortgage.
- The combined current income of all persons listed on your 1st lien mortgage is greater than 85% of the combined income of all persons listed on your 1st lien mortgage prior to your becoming involuntarily unemployed or underemployed.
- [Other; describe here other reasons not listed above]

Appeals Process

If you feel that this determination of ineligibility has been reached in error, you have the right to appeal this determination to NeighborWorks America (NWA). Your appeal request must be postmarked within **five (5) business** days from the date of this notification letter, and must meet the following criteria:

- The appeal request and all supporting documentation must be sent by CERTIFIED MAIL through the U.S. Postal System to the following address:

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

- The appeal request must include a description of how the ineligibility determination, described on page 1 of this notice, is in error and must include all supporting documentation.

Any appeal request that does not meet these standards will not be processed by NWA, and instead will be returned to you and the determination shall be considered final.

Once a proper appeal request has been received, NWA shall:

- Review the materials to determine whether the ineligibility determination described on page 1 of this notice was made in error; and,
- Notify you and your designated counseling agency of its determination within **14 business days**. Each response will include NWA's final determination as well as the reason(s) supporting the determination.

NWA's appeal determination is final. No further review of your pre-screening worksheet and supporting documentation is permitted after NWA's Secondary Review Determination has been provided.

All Pre-Applicant appeal requests **must be received** by NWA postmarked within 5 business days of this EHLP Application Ineligibility Letter, and on or before **August 29, 2011**, in order for NWA to have sufficient time to complete Pre-Screening appeal reviews by **September 15, 2011**. Appeal requests received after August 29, 2011, will not be processed due to program timeline constraints.

For more information about the EHLP eligibility appeal process, see the Appeals Manual and Process Procedures available on www.findehlp.org.

If you do not qualify for EHLP assistance, you may still qualify for other forms of assistance and/or alternatives to foreclosure. Contact our office today to schedule an appointment. Please contact [ENTER STAFF NAME] at [ENTER PHONE NUMBER AND/OR EMAIL ADDRESS] as soon as possible for information about other loss mitigation resources.

Sincerely,

Signature

Emergency Homeowners' Loan Program (EHLPP)

Eligibility Determination Checklist

Applicant Name: _____ **Date File Reviewed:** _____

1. Income Eligibility?

Utilizing the 2009 federal income tax return(s) was the combined gross income of all borrowers named on the first mortgage loan documents below \$75,000 or 120% of area median income (AMI)?

- 2009 and 2010 Tax Returns (IRS 1040, 1040A, or 1040EZ Tax Return(s), only first two pages, for all persons listed on the mortgage
- IRS Form 4506-T signed by each mortgagee named on first lien
- Documentation of current income for all persons listed on the mortgage, (any of the following):
 - Pay Stubs or public assistance check stubs capturing the most recent month or four weeks
 - Unemployment check stubs for the most recent month or four weeks (if any);
 - Disability/SSI check stubs for the most recent month or four weeks (if any);
 - Pension check stubs for the most recent month or four weeks (if any);

YES NO IF NO, APPLICANT IS INELIGIBLE

Pre-Applicant's 2009 Adjusted Gross Income (Line #37 on 1040 or line #4 on 1040EZ)	(A) _____
120% of Area Median Income (AMI) (HUD Definition for Household of 4)	(B) _____
EHLPP Maximum Qualifying Income	(C) <u>\$75,000</u>
Is (A) less than or equal to either (B) or (C)?	YES NO

2. Substantial Reduction in Income Calculation:

Has there been at least a 15% drop in income from the 2009 Adjusted Gross Income?

Is Line C greater than or equal to a 15% loss of income?

YES NO IF NO, APPLICANT IS INELIGIBLE

Pre-Applicant's 2009 Adjusted Gross Income (Line #37 on 1040 or line #4 on 1040EZ)	(A) _____
Pre-Applicant's Current Annual Income (Annualize current income from all Co-Signors/Co-Mortgagors named)	(B) _____
(A) Subtract (B). This equals the loss of income	(C) _____
Divide (C) by (A) the 2009 Adjusted Gross Income This is the resulting % loss of Pre-Event Income	(D) _____
Is the percentage loss of Pre-Event Income greater than 15%?	YES NO

3. Is there a Reasonable Likelihood of Resumption of Payment?

Is there **no more than one** 60-day mortgage late on the 1st lien in the 24 months during calendar year 2008 and 2009 – AND - if there is a 2nd lien, is there **no more than one** 60-day mortgage late on the 2nd lien during the same time period?

YES NO IF NO skip this step.

If YES: Are the current debts less than or equal to .55 or 55% of 2009 Adjusted Gross Income?

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

Pre-Applicant's 2009 Adjusted Gross Income (Annualize all income from all Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Insert Pre-Applicant's total debts from credit report include 1 st , 2 nd , revolving and > 10 mos. installment debt	(C) _____
Divide (C) by (B)	(D) _____ %
Is the DTI based on Pre-Event Income Less than or equal to 55%?	YES NO

4. Mortgage Cost Burden Calculation:

The Pre-Applicant must be financially unable to sustain their current mortgage payment. They must demonstrate that their monthly mortgage payment is greater than 31% of their current monthly income. However, their contribution to the monthly mortgage payment cannot be less than \$150, regardless of how low their income is.

Does line (D) exceed line (C)?

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

Pre-Applicant's Current Annual Income (Annualize all income from all Co-Signors/Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Multiply (B) by .31 or 31%	(C) _____
Insert Pre-Applicant's current Mortgage Payment	(D) _____
Does (D) exceed (C)?	YES NO
Is (C) greater than \$150? (If no, Pre-Applicant must be willing/able to contribute a minimum \$150 to the Mtg Pmt.)	YES NO

If YES, is line (C) greater than \$150? YES NO IF NO, INFORM OF MIN. \$150 REQUIRED PAYMENT

5. Unemployment or Underemployment Determination:

Does the letter from employer indicate termination (not for cause) or wage decrease in 2009, 2010, 2011. If Self-employed or the former employer is out of business is there an affidavit indicating similar circumstances? Was there a medical emergency that led to termination or decrease in wages/salary and if so, is there documentation or an affidavit?

- Letter from employer documenting unemployment or underemployment is not for cause or affidavit from borrower specifically referencing economic or medical hardship.

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

6. Principal Residence Verification:

Does the utility bill match the mortgage statement address?

- Do you have the most recent/current residential utility bill?
- Do you have the most recent/current mortgage statement?

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

7. Delinquent Mortgage Payments and Likelihood of Foreclosure Determination:

Is there a "Breach" or "Acceleration" letter from 1st lien servicer indicating the first lien is 60 days or more delinquent, AND does the credit report show 3 months or more delinquent as of June 1, 2011?

- Letter from mortgage lender stating the homeowner is at least two months late and at risk for foreclosure

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

8. Delinquent on Federal Debt Determination:

Is there any delinquent federal debt, on the credit report?

YES NO IF YES, PRE-APPLICANT IS INELIGIBLE

Is there any delinquent student loan on the credit report?

YES NO IF YES, PRE-APPLICANT MUST HAVE DEFERMENT OR FORBEARANCE PRIOR TO SUBMISSION TO FISCAL AGENT

9. Bankruptcy Status:

Does the credit report show any personal and/or business-related Chapters 7, 11 or 13 Bankruptcy's?

- Has a credit report been pulled and reviewed? (*Tri-Merged is recommended*)

YES NO IF YES, PRE-APPLICANT IS INELIGIBLE

10. Property Flood Insurance (where applicable):

Is there evidence of flood insurance if pre-applicant states they are in 100-year flood zone?

- Copy of flood insurance policy demonstrating coverage (as applicable)

YES NO IF YES, FLOOD INSURANCE MUST BE PROVIDED OR OBTAINED PRIOR TO SUBMISSION TO FISCAL AGENT

11. Citizenship Status/Eligible Immigrant Determination:

Does the documentation provided show proof of citizenship or qualified alien status?

- Citizenship documentation for United States citizens, United States non-citizen nationals, or "qualified alien" can include:
 - A birth certificate; or
 - Passport; or
 - is there another document confirming status? _____

YES NO IF NO, PRE-APPLICANT IS INELIGIBLE

12. Program Contribution Calculation:

Is the total assistance less than \$50,000?

YES NO

If NO, PRE-APPLICANT IS INELIGIBLE.

All documents in hand OR obtainable?

YES NO

If NO, PRE-APPLICANT IS INELIGIBLE.

Final determination

Applicant eligible?

YES NO

Pre-Applicant's Current Annual Income (Annualize all income from all Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Multiply (B) by .31 or 31%. This is borrower's contribution	(C) _____
Insert Pre-Applicant's current 1 st Mortgage Payment	(D) _____
Subtract (C) from (D). This is the monthly EHL P assistance payment	(E) _____
Insert Second Mortgage Payment (if applicable)	(F) _____
Add (E) and (F). This is the revised monthly EHL P assistance payment	(G) _____
Multiply (G) by 22 months	(H) _____
Insert One full first mortgage payment	(I) _____
Insert arrearages to bring current	(J) _____
Insert foreclosure costs (do not exceed state max)	(K) _____
Add (H), (I), (J) and (K). Total EHL P Assistance required.	(L) _____
Is (L) less than \$50,000?	YES NO

Step 1

Pre-Applicant's 2009 Adjusted Gross Income (Line #37 on 1040 or line #4 on 1040EZ)	(A) _____
120% of Area Median Income (AMI) (HUD Definition for Household of 4)	(B) _____
EHLP Maximum Qualifying Income	(C) <u>\$75,000</u>
Is (A) less than or equal to either (B) or (C)?	YES NO

Step 2

Pre-Applicant's 2009 Adjusted Gross Income (Line #37 on 1040 or line #4 on 1040EZ)	(A) _____
Pre-Applicant's Current Annual Income (Annualize current income from all Co-Signors/Co-Mortgagors named)	(B) _____
(A) Subtract (B). This equals the loss of income	(C) _____
Divide (C) by (A) the 2009 Adjusted Gross Income This is the resulting % loss of Pre-Event Income	(D) _____
Is the percentage loss of Pre-Event Income greater than 15%?	YES NO

Step 3

Pre-Applicant's 2009 Adjusted Gross Income (Annualize all income from all Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Insert Pre-Applicant's total debts from credit report include 1 st , 2 nd , revolving and > 10 mos. installment debt	(C) _____
Divide (C) by (B)	(D) _____ %
Is the DTI based on Pre-Event Income Less than or equal to 55%?	YES NO

Step 4

Pre-Applicant's Current Annual Income (Annualize all income from all Co-Signors/Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Multiply (B) by .31 or 31%	(C) _____
Insert Pre-Applicant's current Mortgage Payment	(D) _____
Does (D) exceed (C)?	YES NO
Is (C) greater than \$150? (If no, Pre-Applicant must be willing/able to contribute a minimum \$150 to the Mtg Pmt.)	YES NO

Step 5

Pre-Applicant's Current Annual Income (Annualize all income from all Co-Mortgagors named)	(A) _____
Divide (A) by 12 to calculate monthly Income	(B) _____
Multiply (B) by .31 or 31%. This is borrower's contribution	(C) _____
Insert Pre-Applicant's current 1 st Mortgage Payment	(D) _____
Subtract (C) from (D). This is the monthly EHL P assistance payment	(E) _____
Insert Second Mortgage Payment (if applicable)	(F) _____
Add (E) and (F). This is the revised monthly EHL P assistance payment	(G) _____
Multiply (G) by 22 months	(H) _____
Insert One full first mortgage payment	(I) _____
Insert arrearages to bring current	(J) _____
Insert foreclosure costs (do not exceed state max)	(K) _____
Add (H), (I), (J) and (K). Total EHL P Assistance required.	(L) _____
Is (L) less than \$50,000?	YES NO

Income Trigger Calculations

Income Increase Calculation Test #1

Enter Revised Monthly EHLP Assistance from Line G In Step 5 (A) _____

Divide Line (A) by 2 This Trigger currently not needed (B) _____

Divide Line (B) by 31% (C) _____

Insert the Borrowers Current Monthly Gross Income (D) _____

Add Line (C) to Line (D) (E) _____

When the Borrower's Monthly Income exceeds Line (E), they must report the increase to the Counseling Agency and the EHLP Assistance may be adjusted.

Income Increase Trigger Calculation Test #2

Borrower's 2009 Pre-Event Adjusted Gross Income (A) _____

Multiply Line (A) by 85% (B) _____

When the Borrower's Gross Monthly Income exceeds Line (B), they must report the increase to the Counseling Agency and the EHLP Assistance may be Terminated.

Income Increase Trigger Calculation Test #3

Enter the Monthly EHLP Assistance from Line E in Step 5 (A) _____

Divide Line (A) by 31% (B) _____

Add Borrowers Current Monthly income (C) _____

Total New Monthly Gross Income that would trigger no longer needing EHLP assistance (D) _____

When the Borrower's Gross Monthly Income exceeds (D) they must report the increase to the Counseling Agency and EHLP Assistance may be terminated.

Emergency Homeowners' Loan Program (EHL) Calculator Tool Summary

Note: This is a summary page only. Please begin inserting applicant information in step 1 of this worksheet.

Summary

Name	Jane Doe		
Address	4222 Warner St.		Metro
Client Unique Id.	XXXXXX		
1	Unemployment or underemployment?		Eligible
2	Principal residence?		Eligible
3	Delinquent on mortgage and at risk of foreclosure?		Eligible
4	Delinquent federal debts?		NOT ELIGIBLE
5	Bankruptcy proceedings?		NOT ELIGIBLE
6	More than two liens on principal residence?		Eligible
7	Is flood insurance required?		Eligible
8	Likelihood of Repayment? (SEE Step 3 below)		Eligible
9	US Citizen or non-citizen national?		Eligible
Step 1	Income Eligibility	YES - Continue to Step 2	\$82,000
Step 2	Substantial Reduction in Income	YES - Continue to Step 3	25.61%
Step 3	Likelihood of Repayment <i>(% of 2009 income obligated by debt)</i>	THIS STEP NOT NECESSARY	
Step 4	Mortgage Cost Burden <i>(Mtg Pmt is greater than 31% of current income)</i>	YES - Continue to Step 5	39.35%
Step 5	EHL Assistance Calculation	YES - ELIGIBLE	\$47,182.48

PROCESS

Step 1 Save this worksheet in a dedicated EHL file with homeowner name according to your established procedures.

Step 2 Print this worksheet for insertion in the applicants hard copy file record. Submit the Summary Sheet Page along with pre-applicant's other documentation.



EHLP Appeal Request Form

NeighborWorks Use
Only

**Please print if completing this form by hand*

Date: _____

Homeowner Name: _____

Homeowner Address: _____

City: _____ State: _____ Zip: _____

Home Number: _____ Work Number: _____

Cell Number: _____ E-mail: _____

EHLP Counseling Agency Name: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

I am appealing (Check only ONE)

- Pre-Applicant determination of ineligibility
- Borrower Recertification determination of ineligibility
- Income Adjustment determination of ineligibility

STEP 1. Note reason(s) for ineligibility? *(Can be found within Ineligibility Letter sent by Counseling Agency)*

STEP 2. Please describe in detail how and why the Counseling Agency is in error concerning your eligibility within the Emergency Homeowners' Loan Program? *(Please attach additional description if needed)*

STEP 3. Your request for appeal must include supporting documentation materials. Any incomplete appeal packages will be returned to the homeowner marked incomplete and no further review will be conducted by NeighborWorks. Homeowners will not be given the option to resubmit and the ineligibility determination will remain.

Use this easy checklist to make sure copies of documentation required for the appeal are submitted with your *EHLP Request for Appeal Form* packet. Checkmarks indicate the materials have been included.

PRE-APPLICANT DETERMINATION OF INELIGIBILITY

- Ineligibility Letter** - provided by the Counseling Agency.
- EHLP Calculator Tool Summary and/or Eligibility Determination Checklist** - one or both of these documents that should be included with the *Ineligibility Letter*.
- Credit Report** - provided by the Counseling Agency or homeowner must submit a more recent tri-merged credit report.
- Supporting Documentation Materials From Original Application** - Send copies of ALL supporting documentation materials that were originally requested by the Counseling Agency and should be included in the Counseling Agency with the *Ineligibility Letter*.

Find below the ineligibility criteria that are documented in your *Ineligibility Letter* from the Counseling Agency. Then, check the specific documentation needed to support your appeal and include it your *EHLP Request for Appeal Form* packet.

Delinquency and Imminent Risk of Foreclosure (Page 6 of *EHLP Appeals Manual and Process Procedures*)

- Breach letter **AND**
- Credit report showing 1st lien mortgage was at least 3 months delinquent as of 6-1-11.

Unemployment/ Underemployment (Page 7 of *Appeals Manual*)

- Letter from employer describing how position has been terminated or describing how wages have been reduced; **OR**,
- A signed and dated affidavit attesting to unemployment/underemployment if self-employed or if employer is no longer in business or unemployed and a letter is unavailable.

Principal Residence (Page 7 of *Appeals Manual*)

- Utility bill (for example, telephone, water, or electric bill) submitted with the Pre-Application package, **AND** the address must match the address entered on the Pre-Applicant's screening worksheet, **AND**, both of these addresses must match the address entered into CMAX/HLP during the application appointment at the Counseling Agency.

Delinquent Federal Debt (Page 7 of *Appeals Manual*)

- Documentation showing that the delinquency has been resolved between the Pre-Applicant and the federal creditor (Page 7 of *Appeals Manual* for examples), **OR**,

- A current copy of your credit report that shows no delinquent federal debt payments.

Presence of Federal Lien on the Subject Property (Page 7 of *Appeals Manual*)

- Documentation showing that the lien in question has been satisfied or forgiven and is no longer recorded against the property, including: a copy of the Release of Lien document provided by the Pre-Applicant's creditor, **OR** the Pre-Applicant's credit report that does NOT show that a federal lien has been recorded against the property.

Total Number of Property Liens (Page 8 of *Appeals Manual*)

- Documentation showing that the liens in question have been satisfied or forgiven and are no longer recorded against the property, including: a copy of the Release of Lien document provided by the Pre-Applicant's creditor, **OR** the Pre-Applicant's credit report that does NOT show that there are more than 2 liens recorded against the property.

Bankruptcy Status (Page 8 of *Appeals Manual*)

- Documentation showing that the court has either denied the application requesting bankruptcy protection for debts in question, **OR**,
- A Notice of Discharge or equivalent court-issued document demonstrating that the debts have been discharged from bankruptcy as of the date of the appeal submission.

Total number of mortgage delinquencies during the applicable 12-month calendar year of 2008, 2009, or 2010 (Page 8 of *Appeals Manual*)

- Credit report, **AND**, it must demonstrate that the Pre-Applicant has had between 0-1 delinquent payments on each of his or her 1st mortgage and 2nd mortgage during the applicable calendar year of 2008, 2009 or 2010.

Flood insurance policy in good standing (where required) (Page 8 of *Appeals Manual*)

- A signed and dated affidavit attesting to the fact that the principal residence is NOT located within a flood zone, **AND**
- A current FEMA flood zone map for the address (link found on page 8 of *Appeals Manual*) **OR**,
- A copy of the flood insurance policy that is currently insuring the principal residence from damage caused by flooding.

Citizenship/immigrant/resident status (Pages 9 & 10 of *Appeals Manual*)

- Specified documentation attesting to your status as a US citizen, a US national non-citizen, or a qualified alien status, **AND**,
- Specified documentation for each additional person named on your 1st lien mortgage.

Pre-event income (Page 10 of *Appeals Manual*)

- 2009 federal income tax return, **AND** the 2009 federal income tax return of each additional co-signor named on the 1st lien mortgage (or 2008 federal tax returns if your unemployment/underemployment began in 2009).

Substantial reduction in income \leq 85% (Page 10 of *Appeals Manual*)

- A signed/completed copy of the 2009 federal income tax return (or 2008 if applicable) as well as copies of all required current income documentation, **AND**,
- The same documentation for any co-signor(s) named on the 1st lien mortgage.

Mortgage cost burden (Page 11 of *Appeals Manual*)

- Most current copy of the monthly 1st lien mortgage statement, **AND**,
- All required documentation specified under Current Income, e.g., paystubs, unemployment benefit statements, etc., for each person named on the 1st lien mortgage.

DTI ≤ 55% (Page 11 of *Appeals Manual*)

- A current credit report that is generated within 30 days previous to the appeals submission, **AND**,
- 2009 federal income tax returns for each person named on the 1st lien mortgage (or 2008 federal income tax returns if your unemployment/underemployment began in 2009).

BORROWER DETERMINATION OF INELIGIBILITY

Principal residence (Page 13 of *Appeals Manual*)

- Utility bill that was submitted with the Recertification package, **AND**, the address must match the address entered on the Borrower’s screening worksheet, **AND**, both of these addresses must match the address given by the Borrower during the application appointment with the Counseling Agency that was entered into CMAX/HLP.

Substantial reduction in income ≤ 85 (Page 13 of *Appeals Manual*)

- A signed/completed copy of the 2009 federal income tax return (or 2008 if applicable) as well as copies of all required current income documentation, **AND** any co-signor(s) named on the 1st lien mortgage. (See page 13 of *Appeals Manual* for examples of supporting documentation.)

INCOME ADJUSTMENT DETERMINATION OF INELIGIBILITY

- See the documents listed above under “Substantial Reduction in Income <85%.”

MAILING AN APPEAL

Complete Pre-Applicant Appeal Packages must be sent and postmarked within 5 business days of the counseling agency’s dated EHLA Application ineligibility letter for Pre-Applicants, and on or before August 29, 2011 in order to have sufficient time to complete Pre-Screening appeal reviews by September 15, 2011. Requests received after August 29, 2011, will not be processed.

Borrowers must send complete Appeal Packages within 10 business days of the counseling agency’s dated EHLA Application ineligibility letter for appeal review.

All packets must be received by certified mail through the U.S. Postal System to the following address:

NeighborWorks America
ATTN: EHLA Appeals- N. Harmon
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*. This *EHLA Appeals Manual* can be found online and downloaded at www.findehlp.org.