



# **Emergency Homeowners' Loan Program (EHLA) Technical Assistance**

**July 18, 2011**



# Minnesota Housing

## Emergency Homeowners' Loan Program

---

**Monday, July 18, 2011 – 2:30 PM – 3:30 PM CDT**

**-Welcome-**

The presentation will begin at **2:30 PM CST**. When you join the call, you may or may not hear background music. Please stay on the line.

**To join the conference call:**

**Dial: 1-888-824-5783 - Access Code: 18785301#**

- Please remember to push # after entering the access code
- If you are having difficulty joining, please e-mail:  
[dana.stibbins@state.mn.us](mailto:dana.stibbins@state.mn.us)



Minnesota Housing finances  
and advances affordable housing  
opportunities for low and moderate  
income Minnesotans to  
enhance quality of life and foster  
strong communities.

Photo by Scott Starbke

  
**Minnesota  
Housing**  
Finance Agency

**Preserve** existing affordable housing.

Provide new **opportunities**  
for **affordable** housing.

Work to **prevent** and end homelessness.

Mitigate foreclosure **impact** through  
**prevention** and **remediation**.

**Build** our organizational capacity to **excel**  
and **achieve** our vision.

# Today's Speakers

---

- **Minnesota Housing**
  - » **Devon Pohlman**
- **Minnesota Home Ownership Center**
  - » **Dana Snell**



# Agenda

---

- **EHLP Program Design**
  - » **Minnesota Housing/Home Ownership Center EHLP process**
- **EHLP requirements**
  - » **Contract**
  - » **Procedural Manual**
- **Q & A**

# Coordinated Approach

---

- **Minnesota Housing**
  - » **Program implementation**
  - » **Contracts/fiscal oversight**
  - » **Monitoring and adherence to program requirements**
  - » **Subgrantee support**
  
- **Minnesota Home Ownership Center**
  - » **Outreach, call center, and pre-applicant intake process through lottery submission**
  - » **Data collection and reporting**
  - » **Sub grantee support**

# Minnesota Housing Allocation

---

- **Total counseling award: \$671,160**
- **Total outreach and PRS: \$167,790**
  - » **\$83,895 to counseling agencies prorated**
  - » **\$83,895 to HOC**
  - » **OPRS 25% of total counseling award**
- **Total operational oversight: \$46,981.20**
- **Total EHLP households: 840**
  - » **Metropolitan: 602**
  - » **Micropolitan: 238**

# Pre-Applicant Progress

---

## Pre-Apps Received

- Eligible: 679
- Pending: 182
- Ineligible: 370
- Total: 1,231

## Micro/Metro Eligible

- Metro: 606, 101%
- Micro: 73, 31%

# EHLP Web Materials

Home | Login | Sitemap



Celebrating 40 years of affordable housing.

Home Buyers  
Home Owners  
Renters

Lending & Funding Partners  
Real Estate Professionals  
Home Buyer Educators

Developers, Owners  
Management Agents  
Architects & Builders

Homelessness/Housing Assistance  
Emerging Markets  
Local Governments

Applications & Forms  
Resources  
Training & Technical Services

Current Interest Rates

4.1%

Government

5.9%

Fix-up Fund

Minnesota Housing offers competitive interest rates on our loan programs.

As the State of Minnesota

Our website is being minimally maintained during the state government shutdown to support critical services. If you need

[Minnesota Housing Shutdown](#)

requiring continued critical services

please contact us. For more information on the shutdown, visit [BeReadyMN](#).

we offer products and services to help you. We support the development and

Connect with us!



First-time Homebuyers

Foreclosure Prevention

Home Improvement Loans



# EHLP Web Materials

Home Buyers  
Home Owners  
Renters

Lending & Funding Partners  
Real Estate Professionals  
Home Buyer Educators

Developers, Owners  
Management Agents  
Architects & Builders

Homelessness/Housing Assistance  
Emerging Markets  
Local Governments

Applications & Forms  
Resources  
Training & Technical Services

Investors

Home > Housing Professionals > Lending Partners > Program Guidelines, Manuals & Forms

## Housing Professionals

- Collaborative Partners
- Home Buyer Educators
- Real Estate Professionals
- Lending Partners

Mortgage Loan Program Eligibility

HDS Single Family Application

Program Guidelines, Manuals & Forms

## Single Family Division Program Guidelines, Manuals and Forms

### Mortgage Loan Programs

**Minnesota Housing Mortgage Loan Programs:** Includes instructions and information on the Minnesota Mortgage Program (MMP), Community Activity Set-Aside (CASA) Program, and the Homeownership Assistance Fund (HAF).

- [Mortgage Loan Program, MBS Procedural Manual](#)

↓↓ Scroll down to bottom of page ↓↓

### Homeowner Assistance Programs

**Emergency Homeowners' Loan Program (EHLP) - section currently underdevelopment**

- Emergency Homeowners' Loan Program Procedural Manual
  - EHLP Eligible Activities
  - EHLP Counselor Rules and Responsibilities
- [Program Forms and Resources](#) - under development
- News Alerts

 Printer Friendly Version

### Section Navigation

Mortgage Loan Programs

FUF/CFUF Program Forms

Foreclosure Prevention Assistance Program Forms

CRV Program Forms

# EHLP Web Materials

---

- **Program materials**
  - » **EHLP Program Manual**
    - **Counseling Roles and Responsibilities**
    - **Eligible Activities**
  - » **Training manual**
  - » **Income limits**

# EHLP Web Materials

---

- **Forms/Resources**
  - » **Acceptance Letter**
  - » **Tracker tool**
  - » **Excel eligibility determination tool**
  - » **Documentation checklist and other required forms and resources for the selected pre-applicant**

# Draw Schedule

Draw  
1

- 50% OPRS (end of July)

Draw  
2

- 44% counseling \$s (5a,b)

Draw  
3

- 63% counseling \$s (5a,b)

Draw  
4

- 75% counseling \$s (5 a,b,c)

Draw  
5

- 88% counseling \$s (5 a,b,c)

Draw  
6

- 93% counseling \$s (5a-d)

Draw  
7

- 100% counseling \$s (5a-d)

# Counseling Levels/Payment

**5a**

**\$350**

**5b**

**\$150**

**Optional  
for  
borrower**

**5c**

**\$200**

**5d**

**\$300**

**Award  
estimates  
33% of hhs  
receive  
though could  
ultimately  
vary**

# Coordinated Approach

## 2.05 (EHLF Manual) Counseling Activities

---

- **Centralized pre-applicant screening through the Minnesota Home Ownership Center**
- **Sub grantee responsibility to support outreach and pre-applicant screening**
- **Minnesota Home Ownership Center to submit eligible pre-applicant names to NeighborWorks**
- **Sub grantee to perform counseling requirements once approved applicants are accepted via lottery**

# Distribution of Pre-Applicants Selected in the Lottery



P 651.659.9336 • F 651.659.9518  
Toll free 866.462.6466  
[www.hocmn.org](http://www.hocmn.org)

# Lottery

---

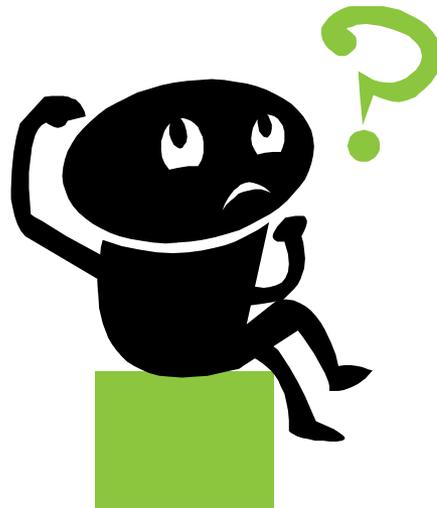
- Week of July 25
  - Additional 3 days of outreach if needed
- Center notify HO ineligible for lottery
- Center notify HO on wait list

# Selected Pre-Applicants

- Email spreadsheet of selected pre-applicants
  - Distribute based on agency service area & number of EHL P cases
- Send copy of pre-application & releases for case file
- Contact Debbie for wait list names
  - Dana if Debbie is unavailable

# Questions?

---



# Sub Grantee Requirements

---

- **Send out approval letter and schedule appointment**
- **Review “selected list” for appeal risk**
  - » **Self-employed/foreclosure sale 30-75 days/etc.**
- **Use EHLP Tracker to manage consumer contacts and required response times**
- **See training materials for sample “scripts”**

# Sub Grantee Requirements

---

- **Required consumer response timelines:**
  - » **Initial appointment call / no homeowner response – 5 days before ineligible**
  - » **homeowner brings incomplete file – 5 days**
  - » **Sub Grantee determines homeowner is ineligible – homeowner has 5 days to appeal with NeighborWorks**
    - **NeighborWorks will notify Sub Grantee if appeal is filed and has 14 days to make a decision**
- **During wait periods, file must remain active**

# Counseling Agency and Staff Requirements

---

- **Meet or exceed HUD housing counseling requirements**
- **Certify adherence to the NIS Code of Ethics and level of counseling offered**
- **Conflict of interest**
- **No exclusivity agreements**
- **Not engaged in practices which exclude other CAs from working with its clients' servicers or lenders**

# Ineligible Activities

---



- **Clients may not be charged fees**
- **Costs associated with the credit report cannot be passed through to clients**

# Sub Grantee Requirements

---

- **Use Hope LoanPort for transmission to the Fiscal Agent**

# Budget and Funds Tracking

---



- **EHLP funds must be maintained separately**
- **Counseling funds must be separate from OPRS**
- **Advance payments must be kept in an interest bearing account**

# Outreach and PRS Funding

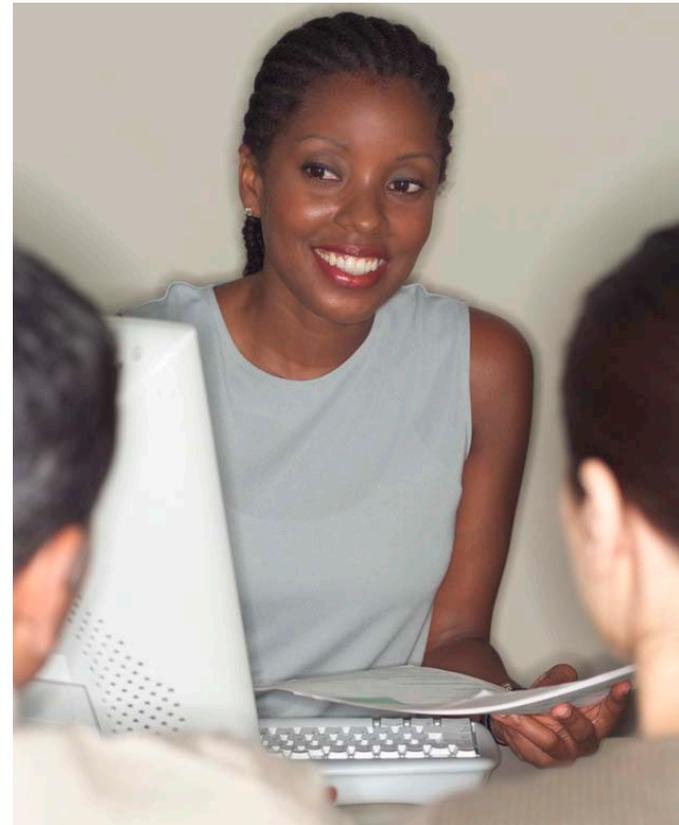
---

- **Outreach to delinquent borrowers, especially in distressed localities**
- **Establishing a triage system**
- **Development of program infrastructure and communication strategies**
- **Improving CA capacity**
  - » **data tracking and reporting**
- **Costs related to hiring, orienting and training counseling staff**

# Outreach and PRS Funding

---

- **Purchasing or leasing equipment and software for counselors**
- **Collecting data and preparing quarterly reports and draw requests**
- **Quality control of the counseling function**



# Protection of Client Data

---

- **Ensure protection of client personal and financial information (e- and paper)**
- **Ensure disclosure of such information occurs only when granted permission**
- **Comply with HUD's 3<sup>rd</sup> Party Authorization form (and other required HUD forms)**
- **Comply with Minnesota Data Practices Act**
  - » **Tennessee warning**

# Records Retention & Data Disposal

---



- **All program-related and financial records must be retained for 6 years from 12/31/14**
- **Disposal of records**
  - » **Protect client confidentiality**
  - » **Adhere to NIS standards**
    - **shred documents**
    - **delete e-records**

# Data and File Management

---

- **File required for each selected homeowner**
  - » **Hard copy**
    - forms and case documentation
  - » **Electronic**
    - process information, dates and notes to be captured in the CMS



# Data and File Management

## Left Side

- **Pre-App package**
- **Pre-App screening key**
- **Checklist**
- **Notes**

## Middle Left Side

- **Loan notification from FA**
- **Copy of note**
- **Counseling appt. agenda**
- **Homeowner budget**
- **Homeowner Action Plan w/referrals**
- **Follow-up appts.**

## Middle Right Side

- **Intake package**
- **Credit report**
- **Letter of incomplete package**
- **Review worksheet**
- **Submission checklist**

## Right Side

- **Re-certification documents**
- **Letter of re-certification with new payment amounts**
- **Exit counseling – 5d documents**

# Data Reporting

---



- **CounselorMax reporting**  
(*Minnesota Home Ownership Center*)
  - » **Upload counseling data as frequently as possible**
- **Quarterly reporting**  
(*Minnesota Housing*)
  - » **Quarterly report questions**
  - » **Expenditure reporting**
- **Final report**

# Federal Requirements

---



- **Conflict of interest – 24 CFR 84/85**
- **Financial and management systems – 24 CFR 84.53**
- **Debarment and suspension**
- **Byrd amendment**

# Federal Requirements

---

- **If non-profit**
  - » **comply with A-110 administrative requests, A-122 cost principles**
- **If local unit of government**
  - » **comply with A-102 administrative requests, A-87 cost principles**
- **If > \$500k in federal funds**
  - » **comply with A-133 audit requirements**
    - **Equipment and real property management**
    - **Procurement**

# Federal Requirements

---

- **If >\$100k, EHLP funds:**
  - » **HUD -50071 Certification of Payments to Influence Federal Transactions**
  - » **Disclosure of Lobbying Activities – 24 CFR 87.110**

# Minnesota Housing Requirements

---



- **Use Tracker**
- **Use excel spreadsheet**
- **Pull a tri-merge credit report**

# Additional Requirements

---

- **Counseling offices are accessible**
- **Counselors fluent in language customers speak/use interpreter services as needed**
- **Discrimination not permitted**
- **Not delinquent on federal debt**
- **Comply with program evaluation efforts**
- **If a consultant is paid w/pgm funds, max salary rate allowed**
- **Among others...**

# Additional Updates

---

- **10 loan pilot & learnings**
  - » **Calculations**
  - » **HLP/Counselor Max**
  - » **Additional required disclosures at full application stage**
  - » **Intake process/efficiencies**
- **Counselor Max & HLP trainings**

# Sub Grantee Monitoring

---



- **Protocol, process and timing TBD**
- **Expect**
  - » **HLP/CM tracking**
  - » **File review**

# Contact Information

---



- **Minnesota Housing**

- » **Devon Pohlman**

- **651-296-8255**

- **Minnesota Home Ownership Center**

- » **Dana Snell**

- **651-659-9336 x 105**

- » **Debbie Wuerffel**

- **651-659-9336 x 107**



---

**Thank You!**