



**Making Home Affordable (MHA)  
Outreach and Intake Project  
Sub-Agency Training  
April 24, 2013**



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## Introduction

- Goal of MHA Project
- Purpose of funds
- Allocation for Minnesota Housing
  - » Serve 315 households
  - » Outreach efforts are estimated to reach 80,000 in Minnesota
  - » Outreach allocation of \$35,437.50



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## Agenda

- Outreach Funds
- Document Preparation and Submission (DPS) Fees
- Programmatic Requirements
- Oversight/Audits
- NeighborWorks Trainings
- Next Steps
- NFMC and MHA



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## Outreach Funds

### Eligible and Ineligible Uses

Eligible Uses	Ineligible Uses
<ul style="list-style-type: none"> <li>These funds are to be used by Housing Counseling Agency (HCA) only for outreach activities designed to reach homeowners in need of mortgage assistance.</li> <li>HCA must remain consistent with the outreach activities and budget submitted in the Letter of Intention.</li> <li>Billing staff time or administrative expenses directly associated with performing outreach activities is acceptable.</li> </ul>	<ul style="list-style-type: none"> <li>Outreach Funds should <u>not</u> be used to support outreach efforts of the HCA's credit counseling, homebuyer education, or post-purchase counseling.</li> <li>If the funds are spent other than in accordance with the outreach plan submitted, the funds will be subject to recapture.</li> <li>MHA Outreach Funds <u>cannot</u> be used for general overhead. Billing general overhead that is not tied to the MHA-funded activity is not allowable.</li> </ul>
HCA will not be entitled to receive funds under the MHA Outreach and Intake Project for any costs or services (or portion thereof) which are funded from any other source.	

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## Outreach Funds

### Eligible Uses (continued)

- Listed below are some examples of allowable MHA Outreach and Intake Project outreach activities:
  - Purchasing local advertising, including print and radio ads
  - Distributing brochures, posters, fact sheets, flyers, and other collateral
  - Mailing postcards
  - Engaging local media outlets, including newspapers, radio stations, and television stations




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## Outreach Funds

### Eligible Uses (continued)

- Listed below are some examples of allowable MHA Outreach and Intake Project outreach activities:
  - Translating or otherwise adapting materials in culturally-appropriate ways
  - Implementing social media campaigns
  - Engaging local partners, including faith-based organizations, lenders, neighborhood groups, local government, and social service organizations
  - Hosting or participating in community events and producing related signage and/or exhibits
  - Calling, email, texting, or otherwise directly soliciting potentially eligible homeowners




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## Outreach Funds Resources

- Press releases, media advisories, talking points and tweets
- Brochures and posters
- Prior approval for any changes to materials must go through Carol Lambert at [Carol.Lambert@Treasury.gov](mailto:Carol.Lambert@Treasury.gov)



## Outreach Funds Timeline for Use

- No disbursements after September 30, 2013
- Any Outreach Funds that have not been used, obligated, encumbered or otherwise expended by October 31, 2013 will need to be returned.



## Document Preparation and Submission (DPS) Fees

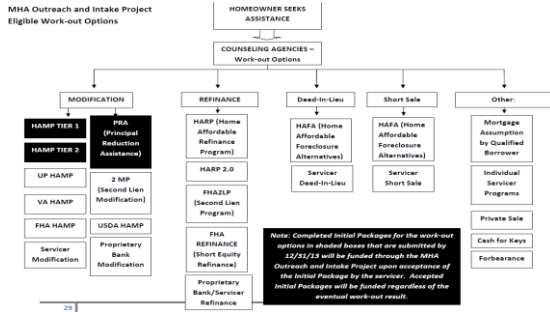
- The MHA Project will apply application submissions for the following MHA work-out options:
  - Home Affordable Modification Program (HAMP) Tier 1
  - Home Affordable Modification Program (HAMP) Tier 2\*
  - Home Affordable Modification Program (HAMP) Principal Reduction Alternative

\*Loans on rental properties can be potentially eligible for HAMP-Tier 2 under certain scenarios. Please be advised that Initial Packages submitted and accepted by servicers for potentially eligible rental properties are eligible for MHA Outreach and Intake Project funds. However, NFMC Program funds may only be used for single family, owner-occupied, one-to-four unit properties. Therefore, if an organization performs initial intake with a homeowner regarding a non-owner-occupied property and later determines an Initial Package cannot be submitted for the borrower under the MHA Outreach and Intake Project, the homeowner cannot be billed for funding under the NFMC Program.



## DPS Fees

### Eligible Work-out Options



## DPS Funds

- Performance period
- Qualifying for DPS fee payment



## DPS Fees

### Required Forms for DPS Fee Eligibility

- Intake Form
- Signed authorization and privacy policy form (Combined Privacy Act Notice and Tennesen Warning)
- Signed disclosure form (Foreclosure Mitigation Counseling Agreement/Disclosure Form)
- Completed Making Home Affordable (MHA) Program Eligibility Determination Checklist
- Client Budget
- Written Action Plan
- Screenshot demonstrating acceptance of completed initial package via Hope LoanPort



## DPS Fees

### Initial Package

See Section 4 of Chapter II of the MHA Handbook for meaning

- » Generally speaking an Initial Package for Non-GSE loans with respect to HAMP will include:
  - Completed MHA Request for Mortgage Assistance
  - Completed Form 4506-T or Form 4506T-EZ
  - Evidence of income as set forth in Chapter II of the MHA Handbook
  - Signed Third Party Authorization using form provided by Treasury. Last updated Feb. 21, 2013



## DPS Fees

### Initial Package (continued)

- Generally speaking an Initial Package for GSE loans with respect to HAMP will include:
  - Completed Uniform Borrower Assistance Form (Form 710)
  - Completed Form 4506-T or Form 4506T-EZ
  - Income documentation as outlined in Form 710 based on income type
  - Hardship documentation as outlined in Form 710 based on hardship type
  - Signed Third Party Authorization using the form provided by Treasury Last updated Feb. 21, 2013



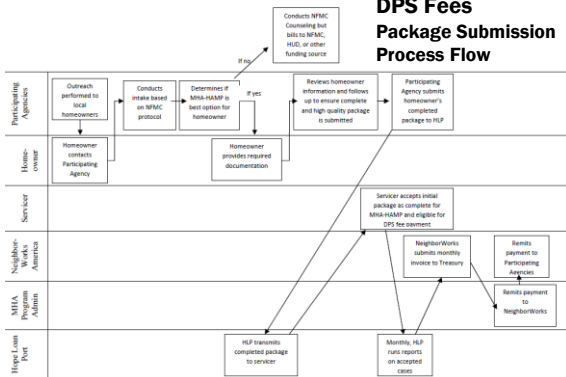
## DPS Fees

### Initial Packages (continued)

- Hope LoanPort
- Document collection
- Payment trigger
- Intake process summarized



MHA Outreach and Intake Project – Package Submission Process Flow



## DPS Fees CounselorMax

Case ID	Case Name	First Name	Last Name	Grantee	Ref Action	Last Action	Actions Left	Level	Level Description	Comments	Acceptance	is Downloaded
2152291	MHA Outreach	Case	grantee does not match	4/17/2013	4/17/2013	1 actions remaining	Level 1	Level Designation Missing		NA	No	

## DPS Fees CounselorMax (continued)

Case ID	Case Name	First Name	Last Name	Grantee	Ref Action	Last Action	Actions Left	Level	Level Description	Comments	Acceptance	is Downloaded
2152291	MHA Outreach	Case	grantee does not match	4/17/2013	4/17/2013	1 actions remaining	Level 1	Level Designation Missing		NA	No	

## Programmatic Budgets

- Separate budget and accounting
- No funds made available under the MHA Project may be provided directly to lenders, servicers, or homebuyers to discharge outstanding mortgage balances or any other direct debt reduction payments.



## Programmatic

Differences between the NFMC Program and the MHA Project

NFMC Program	MHA Project
<b>Counseling</b> <ul style="list-style-type: none"> <li>• <u>Advanced</u> a set amount when disbursement thresholds are met. Use against allocation is determined by uploads to the Data Collection System.</li> <li>• Usually 5 disbursements total for each NFMC round.</li> <li>• Distinction between Level 1, Level 2, Level 4a and Level 4b client files.</li> </ul>	<b>Document Preparation &amp; Submission (DPS)</b> <ul style="list-style-type: none"> <li>• <u>Reimbursed</u> a set amount for accepted* Initial Packages in HLP</li> </ul> <p><small>*Payments are disbursed after the Initial Package has been accepted by servicer, not when servicer makes determination regarding options for the homeowner. Acceptance is based on documents you submit as required for Initial Packages and not if the servicer required additional documentation after the Initial Package submission.</small></p> <ul style="list-style-type: none"> <li>• Disbursements will occur on a monthly basis.</li> <li>• No level distinction. Only DPS.</li> </ul>



## Programmatic

Differences between the NFMC Program and the MHA Project (continued)

NFMC Program	MHA Project
<b>Program Related Support</b> <ul style="list-style-type: none"> <li>• Broader parameters for use including expenses for staff time when completing NFMC reports.</li> <li>• You can create your own materials for foreclosure counseling specific outreach.</li> <li>• Disbursed funds can be used throughout the entire performance period.</li> <li>• Three disbursements which are made at certain thresholds. There is no requirement to request funds when previous disbursements are fully expended.</li> </ul>	<b>Outreach</b> <ul style="list-style-type: none"> <li>• Narrow parameters for use where any costs must be directly associated with outreach.</li> <li>• Must use Treasury approved materials or obtain pre-approval to make changes.</li> <li>• No disbursements after September 31, 2013. All funds must be used, obligated, encumbered or otherwise expended by October 31, 2013.</li> <li>• Two disbursements: The first half is at grant agreement execution and the second half must be requested once first is fully expended.</li> <li>• Unspent funds needs to be returned to Treasury.</li> </ul>

## Programmatic

Differences between the NFMC Program and the MHA Project (continued)

NFMC Program	MHA Project
<b>Re-allocations</b> <ul style="list-style-type: none"><li>In our experience, reallocation of funds by NeighborWorks has not been a standard practice within any given previous NFMC round.</li></ul>	<b>Re-allocations</b> <ul style="list-style-type: none"><li>Re-allocation will occur at some point during this Project. The timeline of when this will occur or how that will be determined is uncertain at this point in time</li></ul>
Funds must be tracked separately from other program income including separate tracking of NFMC funds from MHA Project funds.	



### Draw Schedule Example

Note: Actual numbers will vary based on each Participating Agency's allocation and Initial Packages accepted.

State HFA X was awarded \$501,000 in NFMC Round 6 Counseling award funding. State HFA X's MHA Outreach and Intake Project Allocation will be as follows:

- \$75,150.00 in DPS Fees (15% of Round 6 Counseling award)
- \$18,787.50 in Outreach Funds (25% of DPS Fee allocation)
- \$5,260.50 in Oversight Fees (7% of DPS Fee allocation)

Total MHA Outreach and Intake Project Allocation: \$99,198

	Initial Packages Accepted by Servicer	DPS Fees	Outreach Funds	Oversight Fees	Total
Upon execution of Funding Agreement		\$0.00	\$9,393.75*	\$2,630.25*	\$12,024.00
May 2013	16				
June 2013	28	\$7,200.00	\$0.00	\$252.00	\$7,452.00
July 2013	32	\$12,600.00	\$9,393.75**	\$441.00	\$22,434.75
Aug. 2013	31	\$14,400.00	\$0.00	\$504.00	\$14,904.00
Sept. 2013	28	\$13,950.00	\$0.00	\$488.25	\$14,438.25
Oct. 2013	32	\$12,600.00	\$0.00	\$441.00	\$13,041.00
Nov. 2013		\$14,400.00	\$0.00	\$504.00	\$14,904.00
Total	167	\$75,150.00	\$18,787.50	\$5,260.50	\$99,198.00

\* 50% of overall amount

\*\* State HFA X expended initial Outreach Funds, and submitted documentation to NeighborWorks that the initial disbursement had been spent down in accordance with the approved outreach plan and otherwise in accordance with the Funding Agreement, triggering payment for the balance of the Outreach Funds.



## Programmatic Disbursement Schedule

## Programmatic Tracking

- NeighborWorks disbursement process reviewed
- Reports in Hope LoanPort®
- Hope LoanPort® uploads tracking





## Programmatic Reporting

- Outreach Funds Expenditure Report and Disbursement Request
- Quarterly Report
- Final Report




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## Programmatic Reporting Due Dates

As soon as first 50% of Outreach Funds have been expended. Ideally, on or before June 30, 2013.	Outreach Funds Expenditure Report and Disbursement Request due to Minnesota Housing.
July 15, 2013	Quarterly Report due to Minnesota Housing. Reporting period will cover activity between receipt of initial disbursement and June 30, 2013.
October 15, 2013	Quarterly Report due to Minnesota Housing. Reporting period will cover activity between July 1, 2013 – September 30, 2013.
January 15, 2013	Quarterly Report due to Minnesota Housing. Reporting period will cover activity between October 1, 2013 – December 31, 2013 (end of performance period).
February 3, 2013	Final Report due to Minnesota Housing.

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## Programmatic Other notable items

- Review your grant agreement closely for other differences between the NFMF Program and the MHA Project.
- Professional obligation of HCA
- Any foreclosure intervention counseling staff providing services through the MHA Project must not be loss mitigation/servicing staff working on behalf of a lender or mortgage finance program.
- Participation under one Grantee only.




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## Oversight/Audits

- Evaluation period extends through June 30, 2015.
- Monitoring by Minnesota Housing
- Audits by NeighborWorks
- Oversight by Treasury



## NeighborWorks Trainings

- Mark Your Calendars! May 1<sup>st</sup> Web Ex by NeighborWorks
- H0202 Making Home Affordable: A Breakdown of Program Components
- Live Webinars
- Information posted online to facilitate communication
- "Job Aides"



## Next Steps Timeline

- Forms
- Quick phone call for confirmations
- Grant Agreements
- CFDA # Letters



## NFMC and MHA

- Re-allocations in Round 6
- Round 7 allocations
- Round 7 change to fund spend down requirement
- Bi-monthly calls to continue
- Contacts for the MHA Project
- Level 4a's and 4b's
- Previous NFMC clients



## Resources

- NeighborWorks - <http://www.nw.org/mha>
  - » Funding Announcement
  - » MHA Handbook for Servicers of Non-GSE Loans
- MHA Program options for GSE Loans
  - » Fannie Mae - <https://www.fanniemae.com/singlefamily/making-home-affordable>
  - » Freddie Mac - <http://www.freddie.mac.com/singlefamily/makinghomeaffordable.html>



## Resources (continued)

- NFMC Member Site - <http://nfmcmembers.org/>
  - » Web Exes
- Making Home Affordable - <http://www.makinghomeaffordable.gov>
- Minnesota Housing - <http://www.mnhousing.gov> (click Community Development)
  - » Required forms
  - » Programmatic resources
  - » This training
  - » No Procedural Manual will be developed for the MHA Project

