



400 Wabasha Street North, Suite 400  
St. Paul, MN 55102

P: 800.657.3769

F: 651.296.7608 | TTY: 651.297.2361

[www.mnhousing.gov](http://www.mnhousing.gov)

## NOTICE OF PUBLIC COMMENT

### HomeHelpMN COVID-19 Homeowner Assistance Fund Plan Amendment

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#### Public Comment Period and Process

The public comment period is open from April 5, 2022 through April 12. All emailed or mailed comments must be received by April 12, 2022 at 5:00 pm CST. Comments may be submitted as follows:

- Emailed to [homehelpmn@state.mn.us](mailto:homehelpmn@state.mn.us) or
- Sent by mail to: Minnesota Housing ATTN: Colleen Meier 400 Wabasha St. N. Suite 400 St. Paul, MN 55102

Minnesota Housing Board action on the proposed amendment is expected to occur at Minnesota Housing's April 21, 2022 Board meeting. Incorporation of these changes is subject to Minnesota Housing Board approval and U.S. Department of the Treasury approval.

#### Proposed Change to the HomeHelpMN COVID-19 Homeownership Assistance Fund Plan

Minnesota Housing is recommending a change to the plan that was approved by Minnesota Housing's Board August 26, 2021, and which was approved by the U.S. Department of the Treasury on January 13, 2022. The amendment will adjust the eligible uses of the funding, focusing the program on:

- Mortgage reinstatement -
  - financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency, or default;
- Property charge default – financial assistance to support the payment of the following activities:
  - Property taxes;
  - Insurance: hazard, flood, wind premiums;
  - HOA fees, condominium fees;
  - Cooperative maintenance or common charges;
  - Manufactured home lot rent for manufactured homes when permanently affixed to real property and taxed as real estate, or for manufactured home lot rent if not permanently affixed to real property when located on leased land

Under the proposed change, the plan would no longer include the use of funding to support loan modifications that could comprise either a mortgage principal write-down or an interest rate reduction. Minnesota Housing has determined that mortgage reinstatement provides greater operational efficiency by resetting the borrower

in a current mortgage payment status while preserving any future work-out situations that the borrower may need. Additionally, we have learned from industry partners that attempting to intervene in the loan modification process with the use of HAF funding is complex and not recommended.

Homeowners who indicate they have concerns with ongoing mortgage affordability may apply for mortgage reinstatement through the program. In addition, they will receive a referral to HUD-certified housing counseling, which may explore loan modification as a means to achieve affordability.

The performance goals have been adjusted both to reflect updated data analysis and forecasting based on the most recent delinquency data in Minnesota and as a result of the proposed amendment.

	Estimated Number of Homeowners to Receive Assistance	Average Assistance Needed	Revised Proposed Budget	Previous Budget
Mortgage Reinstatement	5,750	\$17,833	\$102,537,000	\$82,036,800
Principal and Interest	5,750	\$11,000	\$63,250,000	\$50,604,441
Escrowed Taxes	5,750	\$2,860	\$16,445,000	\$13,157,155
Escrowed Insurance	5,750	\$3,100	\$17,825,000	\$14,261,252
Escrowed HOA	1,730	\$2,900	\$5,017,000	\$4,013,952
Loan Modification - Principal Reduction	0	\$20,000	\$0	\$19,550,584
Loan Modification - Interest Rate Reduction	0	\$20,000	\$0	\$2,172,287
Payment of Homeowner Utilities	0	\$0	\$0	\$0
Payment of Homeowner Internet	0	\$0	\$0	\$0
Payment of Non-Escrowed Property Taxes	770	\$2,860	\$2,202,200	\$1,761,915
Payment of Non-Escrowed Homeowner Insurance	770	\$3,100	\$2,387,000	\$1,909,768
Payment of Non-Escrowed HOA Fees or Liens	230	\$2,900	\$667,000	\$533,647
Other	180	\$4,550	\$821,156	\$649,356
Total (Unduplicated)	6,700	\$16,211	\$108,614,356	\$108,614,356
Note: For clarity, this budget presentation separates out escrowed taxes, insurance and HOA fees.				

<sup>1</sup> The Treasury approved HAF Plan included changes from the HAF Plan as approved by Minnesota Housing's Board on August 26, 2021. Notable changes included over \$5,000,000 in additional direct financial assistance allocated; the Plan had previously anticipated that those funds for housing counseling activities which are available statewide and supported through other funding mechanisms.

HomeHelpMN is expected to open for applications in spring of 2022. Homeowners interested in receiving program announcements and updates are encouraged to sign up for eNews at <https://mnhousing.gov/homehelpnews>

This project is being supported by federal award number HAF0011 awarded to Minnesota Housing by the U.S. Department of the Treasury.

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