

Unemployment Mortgage Assistance



Summary Guidelines

1. Program Overview

The Unemployment Mortgage Assistance Program (“UMA”) is one of NAHAC’s federally-funded programs developed to provide temporary financial assistance to eligible Nevada homeowners who wish to remain in their homes, But have suffered a loss of income due to unemployment or underemployment.

NAHAC is partnering with financial institutions to directly provide program funds to subsidize an eligible homeowner’s mortgage payments.

UMA provides mortgage payment assistance equal to the lesser of \$3,000 per month or 100% of the Principal, Interest and any escrowed homeowner’s Association dues or assessments, for up to eighteen (18) months, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment.

2. Program Goals

- UMA’s goal is to help borrowers remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment or underemployment.
- UMA will minimize past due payments, and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.
- UMA is designed to assist homeowners who are currently receiving Nevada Department of Employment, Training, and Rehabilitation unemployment benefits, and (DETR) includes homeowners whose unemployment benefits lapsed or expired days of within 30 days of the request for UMA assistance.
- UMA was designed to complement other loss mitigation programs, including increasing a homeowner’s eligibility for an extended written forbearance plan and/or loan modification.

3. Target Population/ Areas

UMA is designed to target low-to-moderate income homeowners and address the needs of a homeowner’s specific situation in lieu of targeting certain regions Or counties.

4. Program Allocation (Excluding Administrative Expenses)

\$ 52,275,976

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5. Borrower Eligibility Criteria

- Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home Nevada website.
- Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.
- Homeowners who have recently encountered a financial hardship due to underemployment or unemployment, including those whose unemployment hardship is related to their military service.
- Homeowner's total monthly first-lien mortgage payment PITI (principal, interest, taxes, and insurance, as applicable) and escrowed homeowner's association dues or assessments must exceed 31 percent of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits).
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines within the timeframes established by CalHFA MAC.
- Homeowner must be currently receiving Nevada Employment Development Department unemployment benefits, and includes homeowners whose unemployment benefits lapsed or expired within 30 days of the request for UMA assistance.
- General program eligibility is determined by NAHAC based on information received from the homeowner. Program-specific eligibility is determined by NAHAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.

6. Property/Loan Eligibility Criteria

- Current, unpaid principal balance ("UPB") (includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan is not greater than \$417,000.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.
- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

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7. Program Exclusions

- A Notice of Default (“NOD”) has been recorded on the subject property’s first mortgage loan more than 60 days prior to the date of request for UMA assistance.
- Homeowner has a subordinate lien that is in foreclosure as evidenced by a recorded NOD or Notice of Trustee’s Sale (“NOS”).
- Homeowner is in “active” bankruptcy. Homeowners who have previously filed bankruptcy are eligible for consideration only with proof of court order “Dismissal” or “Discharge.”
- Homeowner’s “hardship” is a result of voluntary resignation of employment.
- Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.
- Homeowner becomes fully employed at any time during the UMA benefit period.
- Homeowner is actively being reviewed for a short sale, a deed in lieu and/or TAP benefits.
- Property is subject to a first priority lien securing a Home Equity Line of Credit (“HELOC”).

8. Structure of Assistance

NAHAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (NAHAC) secured by a junior lien recorded against the property in the amount of the total reduced PITI (principal, interest, tax, insurance, as applicable) and any escrowed borrower’s association dues or assessments, and equal to the total amount of HHF unemployment assistance. At the conclusion of (5) five years, the subordinate loan will be released. There is no pro-rated forgiveness for this loan. Loan funds will only be repaid to Eligible Entity (NAHAC) in the event of a sale or a refinance that includes cash out and there are equity proceeds available prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance in accordance with the Agreement.

9. Per Household Assistance

Up to \$54,000 per household in total (average funding of \$13,674), equaling the lesser of \$3,000 per month or 100% of PITI (principal, interest, tax, insurance, as applicable) and any escrowed homeowner’s association dues or assessments (and in all cases, subject to the HHF program maximum benefit cap of \$100,000 with respect to monies previously received under other HHF programs, if any).

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| 10. Duration of Assistance | Homeowner participation in UMA is limited to eighteen (18) months maximum. |
| 11. Estimated Number of Participating Households | Approximately 6,375. This figure is based on loans with unpaid principal balances ranging from \$100,000 to \$300,000 with an average funding of \$8,200.. |
| 12. Program Inception/Duration | The statewide launch of UMA was March 10, 2011 and it will continue until December 31, 2020 or until funding is fully reserved, whichever comes first. |
| 13. Program Interactions with Other HFA/Programs | Other HFA program benefits may be available to the homeowner provided the HHF program maximum benefit cap of \$100,000 has not been exceeded, and program funds are available. The homeowner is required to apply separately for each HFA program. |
| 14. Program Interactions with HAMP | UMA will serve as a gateway to HAMP which may include principal reduction of homeowner's mortgage. |
| 15. Program Leverage with Other Financial Resources | NAHAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with UMA benefits. |