

Contact Ohio Housing Finance Agency

savethedream.ohiohome.org

888-404-4674

Contact HUD.gov For Housing Counseling Agency

Mustard Seed Development Center

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Program Overview

The American Rescue Plan Act included the Homeowner Assistance Fund, which was created to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020. The Ohio Housing Finance Agency (OHFA), as the state agency responsible for administering HAF funds, created Mortgage Programs under the Save the Dream (SDO) banner to provide payment to mortgage servicers on behalf of eligible homeowners to bring delinquencies current and/or pay forward up to six monthly mortgage payments up to a combined maximum assistance of \$25,000. The Mortgage Program assistance is in the form of a forgivable loan that must be repaid if the recipient violates the terms of the program and homeowners must sign a Promissory Note.

Definitions and Eligibility Criteria

Bankruptcy – Homeowners in bankruptcy are eligible if the Bankruptcy Trustee (for Chapter 13) or Attorney (for Chapter 7) provides a letter stating that participation is allowed.

Cap on Assistance – Mortgage Program assistance is capped at \$25,000 per household. If the delinquency exceeds \$25,000, the homeowner must reduce the delinquency to \$25,000. This can be done by paying the difference, through assistance from another entity for the balance, or by the mortgage servicer capitalizing the arrearage or modifying the loan.

Coordination of Assistance – While it is permissible for a homeowner to receive assistance from more than one program, duplication of benefits is strictly prohibited; for example, if the eligible homeowner received mortgage assistance from another program for June 2020, then HAF would not pay for June 2020 but could pay for a different month.

Delinquent Before January 21, 2020 or COVID hardship date – Homeowners with delinquencies prior to January 21, 2020 or before their COVID-related hardship will be advised to contact a HUD-approved Housing Counseling Agency (HCA) or Legal Aid organization (LA) for assistance working with their mortgage servicer for loss mitigation options. OHFA provides the homeowners with the website and toll-free numbers for HCAs. After working with an HCA, homeowners may be eligible for HAF if the HCA or LA provides an action plan or letter that 1) explains why they are recommending that HAF is the best option, and 2) states that the homeowner has a sustainable monthly mortgage payment that is less than 41% of their gross monthly income. If the homeowner has a judgment of foreclosure on the County Clerk of Courts' website and HAF funds would completely reinstate them, we are able to fund RPA, up to \$25,000.

Financial Hardship – A homeowner or spouse on the mortgage or deed, living in the subject property, must have experienced and attested to a material reduction in income or material increase in living expenses due to COVID19 after January 21, 2020. Examples of qualifying hardships:

- Loss of work/decrease in available hours at work, or forced work closure
- Inability to access or get to work, loss of wages or other compensation ordinarily received
- Increase in childcare costs, forced to miss work due to school/childcare closure
- Self-quarantined at home under government or medical recommendation
- Stay-at-home or shelter-in-place order by any level of government authority
- Forced to take off work to care for a family member
- Personal or family experiencing illness, disability, or mental health issues
- Lack of access or delayed access to healthcare
- Experience of food insecurity, shortages, or delayed benefits
- Increase in family expenses due to pandemic or emergency preparedness
- Unemployment insurance unavailable, insufficient, or delayed
- Loss of social, financial, or health safety net
- Fear and concern of future economic and health insecurity and instability

Income Limit – Current gross household income must be equal to or less than 150% of the area median income (AMI) for the Ohio county with the highest limit. Sixty percent of Ohio's allocation must help homeowners with 100% or less AMI. Below is the 2021-22 chart of household size and income limits.

Persons in Family							
1	2	3	4	5	6	7	8
\$103,350	\$118,200	\$132,900	\$147,600	\$159,450	\$171,300	\$183,150	\$194,850

Mortgage – A mortgage is any credit transaction secured by a mortgage, deed of trust, or other consensual security interest. A reverse mortgage, a loan secured by a manufactured home, or a contract for deed (also known as a land contract) may fall within this definition if it satisfies the criteria in this paragraph, in accordance with Ohio Revised Code.

The homeowner must provide a mortgage/loan statement. The unpaid principal balance at loan origination must be less than the [Federal Home Loan Mortgage Corporation \(FHLMC\) / Federal National Mortgage Association \(FNMA\) conforming loan limit](#).

Property Type – Properties must be a 1-4 unit, owner-occupied primary residence dwellings located in Ohio. Dwelling is defined as any building, structure, or portion thereof that is occupied as, or designed or intended for, occupancy as a residence by one or more individuals. Manufactured and mobile homes titled as real estate or listed on the manufactured home tax list are eligible. Lot rent is eligible. Ownership is determined by information from the Deed, County Auditor, or County Treasurer, or by Successor in Interest legal documents as shown in the section on the following page. Occupancy is determined by the address shown on income documents, mortgage statements and County Auditor website.

Signatures Required

Signatures are required on several documents including an Application, Attestation, Third Party Authorization, and Promissory Note. In most cases, signatures will be secured via electronic signature. We cannot accept signatures on behalf of hospitalized or incarcerated homeowners unless a legal power of attorney agreement is provided.

Successors in Interest

Applicants who are not on the deed but who are considered successors in interest can apply in their own name and provide documentation to show ownership. The federal Real Estate Settlement Procedures Act (RESPA) Mortgage Servicing Regulations specify how mortgage servicers determine whether an heir has a legal interest in the property and requires that servicers provide heirs loss mitigation options. **If a successor has assumed the loan and their name is on the mortgage statement, this is sufficient documentation to show they are a potential successor in interest who can receive assistance as long as an Affirmation of Ownership Interest Form is completed and accepted (see below).**

An "Affirmation of Ownership Interest Form" must be completed and will include the following documentation to show the reasons a person can be a Successor in Interest:

- **Death** – Death Certificate and/or Will (with corresponding birth certificate to show relationship to decedent)
- **Divorce, Dissolution, Legal Separation** – Decree or Agreement
- **Property Settlement** – Settlement Agreement
- **Transfer into an inter vivos trust** – Trust Agreement
- **Court Order** – Court Order

Absentee/Estranged Owners

For owners shown on the deed or tax bill that are not living in the house, follow this waterfall:

1. Third-party document (divorce decree, proof of different address for absentee owner)
2. If unsuccessful, get written attestation from the absentee owner they are living elsewhere
3. If unsuccessful, written attestation from the occupying homeowner is permissible

Authorization of Third Parties and Power of Attorney

Homeowner must provide written authorization for other parties to receive information on their behalf. If a homeowner has granted power of attorney (POA) to another individual to execute documents on his or her behalf, the individual named in the POA must sign all documents as himself/herself acting as POA and provide a copy of the POA.

Documentation Required from Homeowner

- **Mortgage or financing statement** showing borrowers full names, mortgage company name and contact information, property address, loan account number, unpaid principal balance, principal, interest, escrow amount breakdown, and total monthly payment.
- **Most recent tax return or 30 days income for all household members over 18** Homeowner may provide most recent 1040 tax return and use adjusted gross income or most recent 30 days gross household income for all household members over the age of 18 which will be multiplied by twelve (12) to get an annualized amount. In rare instances for which an applicant cannot provide a tax return or gross household income for 30 days, an Attestation may be adequate if the applicant's home is located in a geographic area with identified average incomes.

Monthly Household Income That Must Be Included

HAF guidance states to follow HUD's definition of "annual income" in [24 CFR 5.609](#) or use adjusted gross income.

Per HUD, types of income that must be included are:

- **W2 wage jobs** – paystubs showing employer and employee name, address and phone, year-to-date gross earnings, hourly or salary rate, pay period, hours worked
- **Self-employment and Gig Economy jobs** – most recent quarterly profit and loss statement or, all pages of statements for all bank accounts (business and personal) for the same three month period, or most recent tax return with all schedules
- **Interest, royalty and dividend income** – most recent tax return with all schedules
- **Rental Income** – most recent tax return with all schedules or lease
- **Rent from roommate** – lease or proof of payment
- **Social Security, SSI, disability, Veteran's benefits, insurance policies, retirement funds, pensions, death benefits and other annuitized periodic payments** – most recent award letters/statement (lump sum payments are excluded)
- **Unemployment, disability, worker's compensation, severance pay** – most recent award letter/statement
- **Government cash assistance and housing subsidies** – most recent award letter/statement
- **Child support, alimony, separate maintenance and gifts** – most recent award letter/statement, divorce decree, court document
- **Armed Forces regular, allowance, special pay** – most recent award letter/statement
- **Section 8 financial assistance in excess of tuition** – most recent award letter/statement

Income Proxy

There are four types of proxy for household income; in all cases, applicant must self-disclose total household income on the application for purposes of reporting.

- **OHFA to CAA and CAA to OHFA** – Determination of eligibility by either OHFA for mortgage assistance or a participating Community Action Agency for the UAP program can be used by the other agency. The determining agency will fill out the Income Eligibility Form and provide it to the applicant who then presents it to the other agency.
- **Medicaid, SNAP, or WIC award letter** – Determination from one of these agencies that meet the HAF AMI criteria can be used by OHFA or CAA. Applicant presents it to the agency as documentation of income.
- **Qualifying Census Tract** – Applicant lives in a census tract determined by OHFA to have an average income at or below the 40th percentile according to the map located [here](#).
- **Area of Persistent Poverty** – Applicant lives anywhere in Athens County which qualifies as an area of persistent poverty area.

No Income

If there is no income in the household, the applicants must certify this as part of the Application.

Foreclosure, Sheriff's Sale, and Redemption

Homeowners may apply at any point in the foreclosure process including during the redemption period after sale but before confirmation; mortgage servicers might object and funding is not guaranteed. Homeowners in foreclosure are advised to contact the local Legal Aid. OHFA provides the homeowners with the website and toll-free numbers.

Conflicts of Interest, Confidential Files

Employees of OHFA; their relatives, including those by marriage; friends and neighbors who apply for SDO will be processed as outlined in the OHFA Team Handbook, Policy D7-Employee Participation in the *Save the Dream* HAF Programs.

Fraud and Non-Compliance

Individuals who suspect fraud, waste, or abuse must report the activity by calling (888) 404-4674, sending an email to: hafreportfraud@ohiohome.org, or contacting the [Office of Inspector General for Treasury](#).

If it is determined that any applicant has submitted false, misleading, or untrue information in obtaining *Save the Dream* assistance, the full amount of the assistance shall be immediately due and payable. Further, in accordance with the terms of the Promissory Note and these program guidelines, applicants will report an increase in their income at any point during the time period they are participating in *Save the Dream* so that a determination of whether or not the assistance will cease or whether or not the applicant will be required to repay any of the assistance that the applicant should not have received.

Appeals

Appeals are requested by emailing savethedream@ohiohome.org and faxing supporting documents to (877) 649-7046 or mailing them to Save the Dream, 57 East Main Street, Columbus, Ohio 43215. If the original decision is upheld after appeal review, applicants may request another appeal to the Compliance Officer; if that appeal is denied, the next level is the Housing Preservation Center Assistant Manager. The final level of appeal is the OHFA Appeal Committee, which is comprised of the Housing Preservation Development Manager, Chief Legal Counsel, and Senior Advisor for Housing Policy and Programs or their designees. The final decision will be documented in writing and provided to applicant within thirty (30) business days of appeal request receipt.

Mortgage Programs

Save the Dream mortgage programs are limited to Rescue Payment Assistance (RPA) and Monthly Mortgage Payment (MPA) Assistance. Funds are paid directly to Servicers on behalf of eligible homeowners. Homeowners may qualify for combined RPA and MPA up to a maximum of \$25,000 per household; however, not all homeowners will receive the entire \$25,000 depending on their circumstances.

Rescue Payment Assistance

RPA pays up to \$25,000 to Servicers for eligible homeowners whose first mortgage is delinquent. Households who are at or near the maximum RPA of \$25,000 will receive reduced MPA or none at all. Homeowners in forbearance or another loss mitigation option (e.g., trial modification, partial claim) can be approved for Rescue Payment Assistance but we will notify the applicant that we recommend talking to a housing counselor or legal aid services attorney before accepting the assistance to fully understand the implications this assistance will have on the loss mitigation agreement.

Mortgage Payment Assistance

MPA pays Servicers up to six (6) monthly payments not to exceed \$25,000 on behalf of homeowners who received RPA or are current on the first mortgage but meet the hardship requirements. MPA pays only the monthly amount required by Servicers. For assistance with unescrowed taxes, insurance, or association fees and other housing related expenses, contact a [Community Action Agency](#).

IMPORTANT INFORMATION - Homeowners must report all income and occupancy changes during the assistance period by emailing savethedream@ohiohome.org or calling (888) 404-4674. Homeowners will be required to repay any assistance received after becoming ineligible.

A homeowner who files bankruptcy during the period of time they are receiving assistance must consult with their bankruptcy trustee or attorney and mortgage servicer to determine if they will continue to be eligible to continue receiving assistance.

Mortgage Servicer Participation

Servicer participation is voluntary; they must agree to SDO policy guidelines for applying funding and enter into a Collaboration Agreement with OHFA.

Entities with Land Contracts or Installment Agreements enter into a separate Participation Agreement with OHFA.