

UTAH HOMEOWNERS ASSISTANCE FUND POLICY MANUAL

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Program Purpose

The purpose of the State of Utah Homeowner Assistance Fund (UHAF) is to mitigate Financial Hardships associated with the COVID-19 pandemic occurring after January 21, 2020. The UHAF program will help prevent Household mortgage defaults, foreclosures, and displacements of Households. UHAF is a federally funded Homeowner Assistance Fund program established under section 3206 of the American Rescue Plan Act of 2021 (the Act).

The United States Treasury has allocated \$66,030,555 to the State of Utah for this purpose. Funds must be used by September 30, 2026. This UHAF policy manual (Manual) establishes the policies for UHAF. The policies contained within this Manual may be supplemented or modified from time to time to

address changes to rules, guidance, or the evolving needs of State of Utah Households. In addition to this Manual, a procedure document (Procedure) has been created to outline the specific processing steps for the UHAF program.

Definitions

100% OF THE AREA MEDIAN INCOME FOR A HOUSEHOLD - Two times the County income limit for very low-income families, for the relevant Household size, as published by the Department of Housing and Urban Development (HUD) in accordance with 42 U.S.C. 1437a(b)(2)-for purposes of the UHAF.

100% OF THE MEDIAN INCOME FOR THE UNITED STATES FOR A HOUSEHOLD - The median income of the United States, as published by HUD for purposes of the UHAF.

150% OF THE AREA MEDIAN INCOME FOR A HOUSEHOLD- Three times the County income limit for very low-income families, for the relevant Household size, as published by the Department of Housing and Urban Development (HUD) in accordance with 42 U.S.C. 1437a(b)(2) for purposes of the UHAF.

AMI - Area median income. The AMI will be determined by the Household Size and the County based zip code in which the Primary Dwelling is located.

ATTESTATION - A declaration of truth signed by the UHAF Household Applicant(s).

DELINQUENCY(IES) - An obligation for which a Household Applicant(s) is past due on any housing related UHAF qualified expense.

DWELLING - Any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a Primary Dwelling by one or more individuals and is taxed as Primary Residential Real Property by the County Assessor.

EXPENDITURE/EXPENDED - Any UHAF assistance that has been spent by a UHAF Participant and/or Subrecipient.

FINANCIAL HARDSHIP - A material reduction in income, or material increase in living expenses, associated with the COVID-19 pandemic, that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, or displacement for a Household Applicant(s). The Financial Hardship may have begun prior to January 21, 2020, but must have continued after January 21, 2020 and be associated with the COVID-19 pandemic.

FIRST MORTGAGE - The primary loan that pays for a Primary Dwelling.

HOUSEHOLD - Any of the following individuals will be considered members of the Primary Dwelling's Household:

- Any individual residing in the Primary Dwelling for 183 days or more;
- Any children who are temporarily placed in foster homes;
- Children in joint custody who spend 183 days or more living in the Primary Dwelling;
- Children who live in the Primary Dwelling that are in the process of being adopted;
- Household members who are temporarily residing in a hospital, rehabilitation center or a nursing home; and
- Other household members who are temporarily absent (less than 183 days). To be considered temporarily absent, the person must intend to return to the Primary Dwelling when the purpose of the temporary absence ends.

The following individuals will not be considered members of a household:

- Live-in aids; and
- Guests (individuals living in the household less than 183 days).
- Unrelated renters who pay fair market rent by lease agreement in order to live in the dwelling. Rental payments received are income for the landlord.
- Related renters dwelling in the same dwelling as the landlord with shared common living areas, if ALL the following apply:
 - Valid, signed lease agreement between renter and landlord
 - The monthly rent requirement is at least the fair market value, as defined by HUD Fair Market Rent Documentation System
 - Applicant provides documented Rental payments for the most recent two months

Note: Room and Board fair market value is defined by HUD as 75% of the monthly fair market rent value for an efficiency unit.

HOUSEHOLD SIZE – Is the number of people in the Household who occupy the Residential Dwelling on the date of application.

HOUSEHOLD APPLICANT(S) - The individual(s) listed on the mortgage statement(s) and County Primary Residential Real Property tax records for the Primary Dwelling who is a member of the Primary Dwelling's Household. Individual(s) must hold a vested legal or equitable ownership interest in the Primary Dwelling.

HOUSEHOLD INCOME - The total annual income of all members of the Household per HUD's definition of "annual income" in 24 CFR 5.609. Rent from individuals residing in the Primary Dwelling are included in the Household Income. Public benefits, such as Supplemental Nutrition Assistance Program benefits, are excluded from the calculation of income.

HUD - U.S. Department of Housing and Urban Development.

MATERIAL INCREASE IN LIVING EXPENSES - An increase in Household living expenses associated with the COVID-19 pandemic that has created a risk of mortgage delinquency, mortgage default, foreclosure, or displacement for a Household Applicant(s). Increase in living expenses resulting from inflation does not meet this definition.

MATERIAL REDUCTION IN INCOME - A decrease in Household Income associated with the COVID-19 pandemic that has created a risk of mortgage delinquency, mortgage default, foreclosure, or displacement for a homeowner.

MAXIMUM CONFORMING LOAN LIMIT - For the purposes of the UHAF program, the applicable limitation governing the maximum original principal obligation of a First Mortgage, combined with the Second Mortgage if applicable, secured by a Primary Dwelling as determined and adjusted annually under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)). A loan secured by a manufactured home that meets the definition of Primary Dwelling falls within this definition if it satisfies the criteria in this paragraph.

MONETARY UHAF ASSISTANCE - UHAF assistance in the form of money provided on behalf of a Household Applicant(s) to financial institutions, taxing authorities, and other third-party payees under a UHAF Program. Legal fees and costs, incurred by, on behalf of, and for representation of the Household Applicant(s) are not considered acceptable use of the UHAF program. Legal fees and costs initiated by the lender or servicer of qualified expenses of the UHAF program, incurred on behalf of and for the purposes of reclaiming arrearages on the Household Applicant(s) are considered acceptable uses of the UHAF program.

MORTGAGE - Any credit transaction (1) that is secured by a mortgage, deed of trust, or other consensual security interest on a Primary Dwelling of a borrower that is a one-to four-unit Dwelling and (2) the unpaid principal balance of the First Mortgage and Second Mortgage, if applicable, combined, at the time of origination, are not more than the Maximum Conforming Loan Limit at the time of origination.

NON-MONETARY UHAF ASSISTANCE - UHAF assistance in any form other than money provided on behalf of Household Applicant(s) under a UHAF Program (e.g., housing counseling, housing education or referral to nonprofit or not for profit legal services). Legal fees and costs, incurred by, on behalf of, and for representation of the Household Applicant(s) are not considered acceptable use of the UHAF program. Legal fees and costs initiated by the lender or servicer of qualified expenses of the UHAF program, incurred on behalf of and for the purposes of reclaiming arrearages on the Household Applicant(s) are considered acceptable uses of the UHAF program.

PRIMARY DWELLING – A single one-to four-unit Dwelling that the Household Applicant(s), who is listed on the mortgage statement(s) and the County Primary Residential Real Property tax records, resides in

for a minimum of 183 days or more per calendar year. Subrecipient will verify each applicant lives in the primary dwelling for the minimum 183 days through tools including but not limited to; mortgage statement, credit reports, tax documents, or Homeowners insurance.

PRIMARY RESIDENTIAL REAL PROPERTY- The Primary Dwelling that qualifies for the State of Utah residential property tax exemption. The Subrecipient will verify each that each applicant dwelling is primary residential real property by reviewing documentation including but not limited to County recorder inquiries, tax documents, or Homeowners insurance.

PRIORITY POPULATION – As defined by the Treasury as those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the UHAF participant’s jurisdiction as documented by the U.S. Census, including individual(s) who live in a persistent-poverty County. The impairment must stem from circumstances beyond their control. For the purposes of the UHAF program the following are considered the Priority Population:

1. American Indian/Alaska Native;
2. Asian/Asian American;
3. Black/African American;
4. Hispanic/Latino/a/x;
5. Native Hawaiian/Pacific Islander;
6. English Language Learner or an individual with limited English proficiency;
7. Residents of an Indian Reservation; or
8. Residents of a persistent-poverty County, meaning any County that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses. As documented by the US Economic Development Administration, San Juan County is the only County in the State of Utah that qualifies under this definition.

QUALIFIED HOUSEHOLD APPLICANT(S) - Household Applicant(s) who meet all the UHAF criteria and are eligible to receive a UHAF grant.

SECOND MORTGAGE - For the purposes of UHAF, a down payment assistance loan for a Primary Dwelling that has been provided by a nonprofit or governmental entity for the original purchase of the property. For the purposes of UHAF, a Home Equity Line of Credit (HELOC) is not included in this definition.

SUBRECIPIENT - Non-Federal entity that receives a subaward to carry out part of a Federal program.

UHAF APPLICATION - An application submitted by the unique Household Applicant(s) to the UHAF program used to determine eligibility to receive UHAF assistance for qualified expenses. The UHAF Application is located at homeownersassistance.utah.gov.

UHAF ASSISTANCE - Any assistance provided by the UHAF Program, whether monetary or

non- monetary.

UHAF PARTICIPANT – The State of Utah, Department of Workforce Services.

WORKER - The employee who reviews and approves or denies applications for UHAF Assistance.

Program Structure

Administrator

UHAF will be a joint administrative effort between the State of Utah's Department of Workforce Services Housing and Community Development Division (DWS-HCD) and the Community Development Corporation of Utah (CDCU). CDCU is a 501(c)(3) non-profit organization serving as a HUD Housing Counseling agency, an administrator of the HUD Asset Control Area program and a National Foreclosure Mitigation Counseling grantee through NeighborWorks America.

UHAF Application processing and procedure creation and upkeep, UHAF Assistance payments, counseling services, and education will be administered by CDCU. UHAF Assistance payments will be paid directly to the servicer, County, or provider. UHAF Assistance will not be issued to a Household Applicant(s).

CDCU will disburse qualified expense amounts quoted by the servicer, County, or provider and any discrepancies between what is paid through the UHAF program and Household Applicant(s) are to be resolved by the Household Applicant(s).

UHAF Policy, Federal reporting, community outreach programs and coordination as well as monitoring for federal compliance will be administered by DWS-HCD.

UHAF Assistance Program CAP

The maximum Monetary UHAF Assistance per Household Applicant(s) for their Primary Dwelling shall not exceed \$50,000. Any Monetary UHAF Assistance provided will be in the form of a non-recourse grant. In no case will a Household Applicant(s) receive direct Monetary UHAF Assistance. All Monetary UHAF Assistance amounts will be paid directly to the servicer, County, or provider.

Non-Monetary UHAF Assistance will not count toward the \$50,000 Monetary UHAF Assistance amount.

Each Primary Dwelling location is limited to a single approved UHAF Application. Should ownership of the Primary Dwelling be sold, conveyed, or otherwise transferred, the new Primary Dwelling Household Applicant(s) will be denied for the UHAF program.

Eligibility

The UHAF program is available for the Primary Dwelling of a Household Applicant(s):

- Whose 2024 Household Income is equal to, or less than, 150% AMI for the County in which the Household resides or 100% of AMI for the United States, whichever is greater;
- Who has experienced a Financial Hardship associated with the COVID-19 pandemic after January 21, 2020 (including a Financial Hardship that began before January 21, 2020, but continued after that date);
- Who has a qualified Primary Dwelling Delinquency
- Critical Home Repair- The UHAF Program will pay for critical primary dwelling repair costs including; repair or replacement of a leaking roof, obsolete electrical wiring, plumbing leakages, repair or replacement of defective windows, added insulation; as available. Written work orders must be approved by a Subrecipient supervisor or designee, before work may begin. Work must be performed by licensed contractor and meet all applicable code requirements. Subrecipient supervisor or designee must inspect, certify work as complete, attest it meets applicable building standards, and applicant must also sign upon completion before payment will be issued. Environmental Mitigation (Mold, Asbestos, Radon, Lead), as necessary per HUD/EPA best practice guidelines. Necessary environmental mitigations must be approved by the HAF Program in advance.
 - If Critical Home Repair is the only HAF Program activity, the maximum allowable household income: equal to or less than 100% county AMI
 - Assistance is limited to \$18,000 per applicant, and \$50,000 cumulatively for the HAF Program. Environmental mitigation amount is included in the \$50,000 maximum but is not included in the \$18,000 per applicant limitation.
 - Financial counseling for Critical Home Repair only, is not required
 - Critical Home Repair may be the only assistance provided and if so, does not require existence of a mortgage or conformance to other mortgage criteria listed elsewhere in HAF policy.
- Whose original principal obligation of a First Mortgage, combined with the Second Mortgage as applicable, secured by the Primary Dwelling did not exceed the Maximum Conforming Loan Limit at the time of origination.
- A single one-to four-unit Dwelling, provided that the Household Applicant(s) otherwise meet the eligibility requirements of the UHAF program. Subrecipient staff will verify one-to-four-unit dwelling size using online tools, including but not limited to Zillow.com, and other obtainable documentation.

The UHAF program is not available for:

- Second homes, vacant properties, rental properties, or investment properties;
- A First Mortgage, combined with the Second Mortgage as applicable, secured by the Primary Dwelling that exceeded the Maximum Conforming Loan Limit at the time of origination;
- A First Mortgage secured by the Primary Dwelling that exceeded the Maximum Conforming Loan Limit at the time of origination;
- A Home Equity Line of Credit (HELOC) balance is not eligible for HAF assistance. However, if a HELOC is established but does not have a delinquent balance, it would not otherwise preclude HAF

assistance.

- Household Applicant(s) whose First Mortgage, Second Mortgage, Property Taxes, Land Contract, Primary Dwelling Insurance, or Fees associated with the Household Applicant(s) Primary Dwelling cannot be brought fully current, with no remaining delinquent amounts at time of Eligibility Determination.
- Expenses or liens not specifically outlined in this Policy; or
- Household Applicant(s) that received monetary assistance from the Emergency Rental Assistance Program. Subrecipient will verify that applicant has not received of ERA prior to approval.
 - Exception: ERA disqualification is only on your primary residence if you received ERA on your primary residence AND only if you received ERA as a renter in the past.
- Primary dwelling owner seeking a private buyer for the dwelling in which they applied for HAF assistance or who has listed this same property as publicly available for sale on the real estate market, at the time of eligibility determination.

Income Verification

- All Household members with qualifying Household Income shall provide a written attestation as to the Household Income together with supporting documentation.
- Income determination is made by annualizing Household Income by multiplying the most recent 60 days of income at the date of the application by six. Supporting documentation includes:
 - 60 days of pay stubs OR an employment letter citing expected wages if income documentation indicates applicant received less than 30 days' worth of pay stubs, because employment is newly acquired
 - If income documentation provided is less than 60-days' worth, we will clarify as necessary, and accept the applicant's written attestation is less than 60 days
 - If a household adult member has NOT received income in the last 60 days, they must provide a complete and sign a Zero income form.
 - Current Unemployment Award Letter
 - Current Social Security Award Letter
 - Current Pension/Retirement Statements/Letters
 - Current Disability (Temporary or SSDI) Award Letter
 - Current Worker's Compensation Documentation
 - One-to four-unit rental income and accessory dwelling unit income whereby the accessory dwelling unit is located on the same legal parcel, or in the case of a split parcel, the parcels combined, as the Primary Dwelling, and any other income realized such as income received for renting a portion of any part of the Primary Dwelling or the parcel, or split parcels if applicable
 - If an owner, tenant, or renter residing in the one-to four-unit Primary Dwelling has previously received Emergency Rental Assistance, the Household Applicant(s) is not eligible for the UHAF program. Subrecipient will verify that applicant has not received of ERA. Exception: ERA disqualification is only on an applicant primary residence if applicant received ERA on their primary residence AND only if they received ERA as a renter in the past.

- If Household Income is realized through self-employment, gig work or other type of work for payment then income will be established through a ledger of business income and expenses, and may also include tax returns, bank statements, profit/loss statements, or pay stubs.

Financial Hardship Verification

- An attestation must be provided establishing that Financial Hardship associated with the COVID-19 pandemic arose, or continued, after January 21, 2020. Written attestation of financial hardship associated with the COVID-19 pandemic and after January 21, 2020. An attestation alone **without documentation is acceptable**, but if provided may include:
 - Federal Tax Returns from 2019, 2020, and/or 2021, as applicable to Financial Hardship associated with COVID-19 pandemic after January 21, 2020
 - W-2's from 2019, 2020, and/or 2021, as applicable to Financial Hardship associated with COVID-19 pandemic after January 21, 2020
 - IRS Form 1099s
 - Unemployment Award Letter
 - Social Security Award Letter
 - Disability (Temporary or SSDI) Award Letter
 - Worker's Compensation Documentation
 - Evidence of a Material Reduction in Income
 - Increase in living expenses, including medical expenses, inadequate medical insurance, increase in household size, increase in childcare costs, or other costs associated with the COVID-19 pandemic after January 21, 2020

Delinquency Verification

- This shall be determined by a written attestation together with supporting documentation establishing that Financial Hardship associated with the COVID-19 pandemic arose, or continued, after January 21, 2020. Supporting documentation includes:
 - Mortgage Statements, including delinquency notice(s), fees, penalties, and/or interest accrued
 - Notice of Property Taxes that are past due
 - Notice of Primary Dwelling Insurance payments that are past due
 - Notice of Condominium association fees, homeowner association fees, cooperative maintenance fees that are past due

Prioritization and Targeting

Pursuant to the Treasury guidance, UHAF must prioritize assistance based on a Household's AMI.

Not less than \$40,000,000 of UHAF funds will be made available exclusively to Household Applicant(s) whose Household Income is equal to, or less than, 100% AMI for the County in which the Household resides or equal to, or less than, 100% of AMI for the United States, whichever is greater.

Remaining UHAF funds will be made available for Household Applicant(s) in the following priority:

- Priority Population Household Applicant(s) with Household Income equal to, or less than, 150% AMI for the County in which the Household resides in or equal to, or less than, 100% of AMI for the United States, whichever is greater.
- Household Applicant(s) with Household Income equal to, or less than, 150% AMI for the County in which the Household resides in or equal to, or less than, 100% of AMI for the United States, whichever is greater.

Primary Dwelling UHAF Assistance Payment Prioritization

The following is a list of all qualified expenses that are allowed to be paid by the UHAF program. UHAF program funds will be disbursed in the following priority:

1. First Mortgage – The UHAF program will provide payment to a Household Applicant(s) First Mortgage servicer to bring the Household Applicant(s) current on their mortgage delinquent by 30 days or more, or cure a COVID-19 related forbearance. This includes any fees, penalties and/or interest incurred.
 - The payment must fully reinstate the Household Applicant(s) delinquencies of which are eligible uses of the HAF program. If the total amount needed to bring the Household Applicant(s) current exceeds the Program maximum cap, the Household Applicant(s) must provide the necessary shortfall amount.
 - If the applicant cannot provide the shortfall amount, the Subrecipient may work with lender if acceptable to the Servicer, to facilitate a loan modification partial claim/deferred payment agreement.

Chattel loan arrearages for a permanently affixed manufactured Primary Dwelling are eligible if the manufactured Primary Dwelling is taxed by the County as Primary Residential Real Property. Lot rent arrearages for said manufactured Primary Dwelling are also eligible uses of the UHAF program.

2. Second Mortgage for Down Payment Assistance – If provided by a nonprofit or governmental entity for the original purchase of the property, the UHAF program will provide payment to a Household Applicant(s) Second Mortgage servicer to bring the Household Applicant(s) current on their second mortgage delinquent by 30 days or more, or cure a forbearance associated with the COVID-19 pandemic. This includes any fees, penalties and/or interest incurred.

The payment must fully reinstate the Household Applicant(s) account or pay off the partial claim. UHAF funds may be used to pay down a portion of a partial claim/deferred balance. The unpaid amount remains as a partial claim/deferred balance keeping the mortgage amount current. If the total amount needed to bring the Household Applicant(s) current or pay off the partial claim exceeds the Program maximum Cap, the Household Applicant(s) must provide the necessary shortfall amount, if acceptable to the servicer.

3. Critical Home Repair- The UHAF Program will pay for critical primary dwelling repair costs up to \$18,000 including; Repair or replacement of a leaking roof, obsolete electrical wiring replacement, plumbing leakages, defective window repair or replacement, and added insulation; as available. Written work orders must be approved by a Subrecipient supervisor or designee, before work may begin. Work must be performed by licensed contractor and meet all applicable code requirements. Subrecipient supervisor or designee must inspect, certify work as complete, attest it meets applicable building standards, and applicant must also sign upon completion before payment will be issued.
- Environmental Mitigation (Mold, Asbestos, Radon, Lead), as necessary, per HUD/EPA best practice guidelines.
 - Necessary Environmental Mitigations must be approved by the HAF Program in advance.
 - Environmental Mitigation is not included in \$18,000 per applicant cap, but is included towards HAF Program maximum of \$50,000.
4. Property Taxes – The UHAF program will pay directly to the County or provider property taxes and other foreclosable municipal, utility or County debts that form a lien on the Primary Dwelling.
5. Land Contract – The UHAF program will pay directly to the servicer arrears accrued under a land contract or rent-to-own contract if the Primary Dwelling is taxed by the County as Primary Residential Real Property
6. Primary Dwelling Insurance – The UHAF program will pay directly to the insurance company for Household Applicant(s) insurance, flood insurance, wind insurance, and mortgage insurance.
7. Fees - The UHAF program will pay directly to the provider any Primary Dwelling condominium association fees, Household Applicant(s) homeowner association fees, cooperative maintenance fees, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development. Legal fees and costs, incurred by, on behalf of, and for representation of the Household Applicant(s) are not considered acceptable use of the UHAF program. Legal fees and costs initiated by the lender or servicer of qualified expenses of the UHAF program, incurred on behalf of and for the purposes of reclaiming arrearages on the Household Applicant(s) are considered acceptable uses of the UHAF program.

8. Arrearages of qualified expenses are eligible for purposes of UHAF regardless of the date they were incurred, including if they arose before January 21, 2020, as long as the Financial Hardship was associated with the COVID-19 pandemic and occurred after January 21, 2020.
9. Administration, planning, counseling and education by HUD approved counseling agencies, legal services for eligible households related to foreclosure prevention, and community outreach will also be paid for by the UHAF program.

Counseling and Education

DWS will require that eligible Household Applicant(s) participate in either homeowner counseling or a homeowner education program facilitated by the CDCU. Participation is required to receive UHAF program assistance.

Application Period

Applications will be processed on a first-come, first-served basis. Household Applicant(s) who are in imminent danger of losing their Primary Dwelling through foreclosure, established by providing a copy of Notice of Default or Notice of Trustee sale, may receive priority review. Application submission does not guarantee that the Household Applicant(s) will be eligible for UHAF funds. Household Applicant(s) must agree to complete and sign the Initial Application, Attestation Affidavit, Application Disclosures, Third Party Authorizations, as well as any other forms as required by the Worker and provide all requested documentation within the requested time frame. The Worker shall reach out to the Household Applicant(s) to clarify inaccurate, incomplete information or documentation. If, after three attempts via phone or email, in which no response is received from the Household Applicant(s), the application shall be denied.

If an application is denied, the Household Applicant(s) shall be given written instructions of how to file an appeal, contact information for the appeal process, and the deadline for filing an appeal decision.

Quality Control

On a monthly basis, DWS quality control employee(s) will ensure program integrity by auditing a random sample of at least 10% of both the Worker approved UHAF Applications and 10% of the Worker denied UHAF Applications for both accuracy and completeness.

For each UHAF Application they review, the quality control employee(s) will compare it to the documentation provided and measure it against policy, procedure and other guidance. The quality

control employee(s) have developed a common, general understanding of acceptable quality with management and Workers. Additionally, the quality control employee(s) identify trends in worker errors and provide regular error correction feedback.

Household Applicant(s) of UHAF Assistance are required to cooperate with DWS to complete these quality control reviews. Household Applicants may be asked to provide complete and accurate information about factors related to their UHAF Application, services received or eligibility. Household Applicant(s) may be asked to provide verification of the information being reviewed. The Household Applicant(s) must provide any requested information to the quality control employee(s) within 10 business days of the request. Failure to provide the requested documentation may result in the Household Applicant(s) being required to repay UHAF Assistance received.

The quality control employee(s), and other staff, work to identify possible trends in fraud. In cases of suspected fraud, the quality control employee(s) will make a reasonable effort to review the facts and decide whether UHAF Assistance should be issued or stopped or whether a request for repayment should be issued. If a UHAF Application that was awarded more than \$5,000 is determined to be fraudulent, the UHAF Application will be referred to the Office of State Debt Collection. In cases of overpayment, regardless of the origination of error or falsified information, the Household Applicant(s) will be required to repay the funds.

Overpayments and Debt Collection

HAF Program Manager or designee will notify HAF recipient of any overpayment or debt by telephone, email, or USPS which will include the amount, and payment instructions to return the funds to the Subrecipient or Department.

HAF Program Manager or designee will issue an Official Overpayment Letter by email or USPS to the HAF recipient stating the reason for, and amount of debt, due date for repayment, outline possible collection options available and rights to appeal to the Subrecipient or Department. Copies of demand letters issued will be logged by date and digitally stored in the HAF Shared files. Program staff will log any response or nonresponse.

If payment is not received within 60 calendar days, HAF Program Manager or designee will issue a 60-day letter to the HAF recipient by email or USPS referencing the debt, method of repayment, due date and collection actions available to the Subrecipient or Department.

Complaints

If an applicant disagrees with a decision, or has an issue with how services were provided, the person may make a complaint by email to homeownersassistance@utah.gov. An initial response to a complaint will be given by email within three business days.

Conflicts of Interest

A Worker may not access, review, deny or approve an application for a person that is related to them or for those with whom they have a close personal relationship. A related person is someone who is related to the Worker through blood or marriage, as defined by U.C.A., Section 52-3-1(1)(e), as father, mother, husband, wife, son, daughter, sister, brother, grandfather, grandmother, grandson, granddaughter, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law.

If the UHAF Applicant(s) is a Worker, their UHAF Application must be processed by the supervisor or manager over the program. The Worker may not access their own UHAF Application and shall not use work resources (e.g., time or computer equipment) to access, make inquiries about or work on their UHAF Application in any way.

Documentation

All decisions must be backed by documentation and written attestation. If there is a conflict between the documentation and the written attestation, the documentation supersedes the attestation.

If after reviewing the required documentation, the Worker still identifies something that seems questionable, they will communicate their concerns to their manager. Additional documentation that is requested as necessary may include photocopies or digital photographs of documents, e-mails, or attestations from employers, caseworkers, or others with knowledge of the Household's circumstances.

Citizenship

United States citizenship is not required to receive UHAF Assistance. However, the Household Applicant(s) will be required to attest to their legal residency and provide documentation of legal residency in the United States. Acceptable forms are as follows:

Copy of a Birth Certificate, current Driver's License, or Social Security Card;
current State Issued Identification Card, or Social Security Card; Copy of current United States Passport; or Other Federally Issued documentation that provides proof of legal residency.

Record Retention

The State of Utah's Department of Workforce Services Housing and Community Development Division and the Community Development Corporation of Utah must maintain records and financial documents for seven (7) years after the last UHAF dollar has been expended or returned to the Treasury.

Confidential Information

Safeguarding Confidential Information

All confidential information must be safeguarded from unauthorized disclosure and use. Workers who fail to safeguard confidential information may be subject to both civil and criminal penalties.

First, confidential information includes identifying information about applicants or tenants – such as names, addresses, telephone numbers, social security numbers, etc. Second, it includes information used to determine eligibility – such as income, names of persons obligated to provide financial support, Household members, etc. Third, it includes information about benefits provided to individual Household Applicant(s).

Information that cannot be identified to Household Applicant(s) is not confidential information. For example, information stating the total number of Household Applicant(s) is not confidential information because no one person can be identified by the general information.

When Confidential Information May Be Released - Confidential information may only be disclosed and used under limited circumstances. Do not disclose or use confidential information unless it is for one of the purposes described below.

Administration of the Program – Confidential information may be disclosed and used for purposes directly connected with the administration of the program. However, only disclose and use the minimum information necessary to ensure valid administration of the program. Email homeownerassistance@utah.gov to obtain approval to release the information.

Public Request – The public may view policy manuals and receive non-identifying information about Household Applicant(s). The public is not entitled to information about Household Applicant(s). People who may demand to see confidential information because of their status as a taxpayer must be denied access to all confidential information.

- Do not publish or otherwise disclose Household Applicant(s) names or addresses.
- Do not use Household Applicant(s) information to distribute commercial information, political information, holiday greetings, public announcements, etc.

Permission Granted by Household Applicant(s)– A Household Applicant(s) can give written permission to release information. A valid permission form must include the following:

- The Household Applicant(s) name.
- The Household Applicant(s) date of birth.
- The name of the person or organization to whom the Household Applicant(s) is authorizing the release of information.

- The purpose of releasing the information.
- The calendar date the release ends, which starts the calendar date it is signed by the Household Applicant(s).
- The signature and date of the Household Applicant(s).

Exceptions to this policy may be granted with the approval of the DWS-HCD Director. The Worker should send an email requesting an exception to homeownersassistance@utah.gov. The Worker's email must include the reasons an exception should be granted. If approval is obtained, the Worker will upload the email chain that shows approval from the DWS-HCD Director, and any other additional factors considered in making the decision, into the application database.



Utah Homeowners Assistance Fund (UHAF) - Program Term Sheet

<p>Program Overview</p>	<p>The UHAF program was established under section 3206 of the American Rescue Plan Act of 2021 (“ARPA”) to mitigate financial hardships associated with the COVID-19 pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.</p>
<p>HAF Program Goal</p>	<p>To provide financial assistance to eliminate or reduce mortgage loan delinquencies to prevent foreclosure and displacement.</p>
<p>Size of HAF Program</p>	<p>DWS will utilize up to \$66,030,555.00 of its total HAF allocation for this program.</p>
<p>Maximum Assistance Per Household Applicant(s)</p>	<p>DWS will provide eligible Household Applicant(s) qualified expenses related to the Household Applicant(s) Primary Dwelling. A Primary Dwelling is a one-to four-unit Dwelling that the Household Applicant(s), who is listed on the mortgage statement(s) and the County Primary Residential Real Property tax records, resides in for a minimum of 183 days or more per calendar year.</p>

Maximum assistance amount of the UHAF program will be \$50,000 per Household Applicant(s). DWS will expend funds as necessary to bring a Household Applicant(s) Primary Dwelling fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower's behalf for property charges.

One-to four-unit arrears payments may include:

1. First Mortgage that is at least 30 days delinquent;
2. Second Mortgage for Down Payment Assistance that is at least 30 days delinquent;
3. Critical Home repair- The UHAF Program will pay for critical primary dwelling repair costs up to \$18,000 including; repair or replacement of a leaking roof, obsolete electrical wiring systems, plumbing leakages, repair or replacement of defective windows, added insulation; as available. Written work orders must be approved by a Subrecipient supervisor or designee, before work may begin. Work must be performed by licensed contractor and meet all applicable code requirements. Subrecipient supervisor or designee must inspect, certify work as complete, attest it meets applicable building standards, and applicant must also sign upon completion before payment will be issued; Environmental Mitigation (Mold, Asbestos, Radon, Lead), as necessary, per HUD/EPA best practice guidelines. Necessary Environmental Mitigations must be approved by the HAF Program in advance. Environmental Mitigation is not included in \$18,000 per applicant cap, but is included towards HAF Program maximum of \$50,000.
4. Property taxes;
5. In the case of a permanently affixed manufactured home, if taxed by the County as Primary Residential Real Property, Chattel loans;
6. Primary Dwelling Insurance;
7. Fees: including condominium association, homeowner association,

	<p>and cooperative maintenance fees;</p> <p>DWS shall limit current UHAF payment amounts as follows:</p> <ol style="list-style-type: none">8. First Mortgage that is at least 30 days delinquent;9. Second Mortgage for Down Payment Assistance that is at least 30 days delinquent;10. Critical Home repair- The UHAF Program will pay for primary dwelling repair costs up to \$18,000 including; Repair or replacement of a leaking roof, obsolete electrical wiring systems, plumbing leakages, defective or inadequate window repair or replacement added insulation; as available. Written work orders must be approved by a Subrecipient supervisor or designee, before work may begin. Work must be performed by licensed contractor and meet all applicable code requirements. Subrecipient supervisor or designee must inspect, certify work as complete, attest it meets applicable building standards and applicant must also sign upon completion before payment will be issued; Environmental Mitigation (Mold, Asbestos, Radon, Lead), as necessary, per HUD/EPA best practice guidelines. Necessary Environmental Mitigations must be approved by the HAF Program in advance. Environmental Mitigation is not included in \$18,000 per applicant cap, but is included towards HAF Program maximum of \$50,000.11. Property Taxes;12. In the case of a permanently affixed manufactured home, if taxed by the County as Primary Residential Real Property, Chattel loans;13. Primary Dwelling Insurance;14. Fees: including condominium association, homeowner association, and cooperative maintenance fees;
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<p>Targeted Population of Household Applicant(s) and Financial Challenges Program Seeks to Address</p>	<p>This program will target low to moderate income Household Applicant(s) and will address the following financial challenges:</p> <ul style="list-style-type: none"> ● Mortgage loan delinquency and default. This program will assist eligible Utah Household Applicant(s) to eliminate or reduce mortgage loan delinquency. ● Exiting forbearance. This program will help eligible Utah Household Applicant(s) on forbearance plans to exit forbearance and to transition to regular, monthly mortgage payments, so that they can begin to regain economic stability.
<p>Eligible Household Applicant(s)</p>	<p>Must meet the following criteria:</p> <ul style="list-style-type: none"> ● Household Applicant(s) must have experienced a Financial Hardship associated with the COVID-19 pandemic after January 21, 2020, and provide an Attestation describing the nature of the Financial Hardship; ● Household Applicant(s) must currently own and occupy the property as their Primary Dwelling; ● Household Applicant(s) must meet the UHAF eligibility requirements; ● Household Applicant(s) must complete and sign the Attestation, Application, Disclosures, and Third-Party Authorization forms; ● Household Applicant(s) must agree to provide all necessary documentation to satisfy program guidelines within timeframes established by DWS

	<ul style="list-style-type: none"> ● DWS will require that eligible Household Applicant(s) participate in either homeowner counseling or homeowner education program. ● Co-owners are not permitted to separately apply for UHAF Program assistance.
Financial Hardship	<ul style="list-style-type: none"> ● A material reduction in income, or material increase in living expenses, associated with the COVID-19 pandemic, that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, or displacement for a Household Applicant(s). ● Reduction of Income – Documented temporary or permanent loss of earned income that occurred after January 21, 2020; or Increase in living expenses – Documented increase in out-of-pocket household expenses such as, medical expenses, inadequate medical insurance, or increase in household size, associated with the COVID-19 pandemic occurring after January 21, 2020.
Household Applicant(s) Income Eligibility Requirements	<ul style="list-style-type: none"> ● Household Applicant(s) whose Household Income is equal to or less than 150% of the area median income (AMI) or equal to or less than 100% of the area median income for the United States, whichever is greater, except for Critical Home Repair-only approvals which must be equal to or less than 100% of the county AMI.

<p>Eligible Properties</p>	<p>Primary Dwellings that include:</p> <ul style="list-style-type: none"> ● One-to four-unit properties; ● Condominium units; ● Manufactured homes permanently affixed and taxed by the County as Primary Residential Real Property. <p><u>The UHAF program is not available for:</u></p> <ul style="list-style-type: none"> ● Second homes, vacant properties, rental properties, or investment properties; ● A First Mortgage, combined with the Second Mortgage as applicable, secured by the Primary Dwelling that exceeded the Maximum Conforming Loan Limit at the time of origination; ● A Home Equity Line of Credit (HELOC) is not eligible for HAF assistance. However if a HELOC is established but does not have a delinquent balance, it would not otherwise preclude HAF assistance; ● Household Applicant(s) whose First Mortgage, Second Mortgage, Property Taxes, Land Contract, Primary Dwelling Insurance, or Fees associated with the Household Applicant(s) Primary Dwelling cannot be brought fully current, with no remaining delinquent amounts at time of Eligibility Determination; ● Expenses or liens not specifically outlined in UHAF Policy; ● New construction; ● Household Applicant(s) that has received Emergency Rental Assistance; Exception: ERA disqualification is only on an applicant primary residence if applicant received ERA on their primary residence AND only if they received ERA as a renter in the past
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<p>Eligible Uses of HAF Program Proceeds</p>	<p>Eligible uses may include:</p> <ol style="list-style-type: none"> 1. First Mortgage that is at least 30 days delinquent; 2. Second Mortgage for Down Payment Assistance that is at least 30 days delinquent; 3. Critical Home Repair- The UHAF Program will pay for critical primary dwelling repair costs including; Repair or replacement of a leaking roof, obsolete electrical wiring, plumbing leakages, defective window repair or replacement, and added insulation; as available. Written work orders must be approved by a Subrecipient supervisor or designee, before work may begin. Work must be performed by licensed contractor and meet all applicable code requirements. Subrecipient supervisor or designee must inspect, certify work as complete, attest it meets applicable building standards, and applicant must also sign upon completion before payment will be issued; Environmental Mitigation (Mold, Asbestos, Radon, Lead), as necessary, per HUD/EPA best practice guidelines. Necessary Environmental Mitigations must be approved by the HAF Program in advance. 4. Manufactured Primary Dwelling – if permanently affixed and taxed by the County as Primary Residential Real Property, Chattel loans; 5. Property Taxes; 6. Primary Dwelling Insurance; 7. Fees: including condominium association, homeowner association, and cooperative maintenance fees; Legal fees and costs, incurred by, on behalf of, and for representation of the Household Applicant(s) are not considered acceptable use of the UHAF program. Legal fees and costs initiated by the lender or servicer of qualified expenses of the UHAF program, incurred on behalf of and for the purposes of reclaiming arrearages on the Household Applicant(s) are considered acceptable uses of the UHAF program;
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	<p>Exclusions:</p> <ul style="list-style-type: none"> ● Second homes, vacant properties, rental properties, or investment properties; ● A First Mortgage, combined with the Second Mortgage as applicable, secured by the Primary Dwelling that exceeded the Maximum Conforming Loan Limit at the time of origination; ● A Home Equity Line of Credit (HELOC) is not eligible for HAF assistance, However, if a HELOC is established but does not have a delinquent balance, it would not otherwise preclude HAF assistance; ● Household Applicant(s) that are in the Bankruptcy process at the time of application ● New Construction; ● Expenses or liens not specifically outlined in UHAF Policy; ● Household Applicant(s) that were determined eligible and received monetary assistance for the Emergency Rental Assistance Program Exception: ERA disqualification is only on an applicant primary residence if applicant received ERA on their primary residence AND only if they received ERA as a renter in the past. Primary dwelling owner seeking a private buyer or listing property as available for sale on the public real estate market at the time of eligibility determination;
Assistance Type	Assistance will be structured as a non-recourse grant.
Payout of HAF Assistance	UHAF will disburse qualified expenses directly to the servicer, County, or provider. In no case will a Household Applicant(s) received direct Monetary UHAF funds.
Program Launch	DWS is planning to launch the program to the public in October 2022.

<p>Program Duration</p>	<p>The period of performance for the UHAF award begins on the date or program launch and ends on September 30, 2026. UHAF recipients shall not incur any obligations to be paid with the funding from this award after such period of performance ends.</p> <p>DWS plans to disburse all funds by September 30, 2026.</p>
<p>Application Process</p>	<p>Household Applicant(s) will be able to apply through an online portal only.</p>
<p>Eligibility Documentation Requirements</p>	<p>The following documents will be required, as applicable, for an application to be considered complete:</p> <ul style="list-style-type: none"> ● Application for the Utah Homeowner Assistance Fund Program ● Government issued identification ● Most recent mortgage statement for each lien ● Manufactured home loan statement and lot rental agreement ● Demand Letter or Foreclosure Notice ● Income documentation (e.g. paystubs, employment letter, unemployment insurance award letter, ledgers, or alternative income documents as applicable) ● Third Party Authorization (TPA) and Disclosure Form ● Qualifying Hardship Attestation identifying the Financial Hardship associated with the COVID-19 pandemic and occurred after January 21, 2020 ● Homeowner Insurance documentation for primary dwelling, which may be part of escrow within the mortgage statement
<p>Eligibility Determination Notes</p>	<p>All decisions must be backed by documentation or a written Covid-19 Impact attestation. The attestation will include applicable details as to support the decision or action taken on the application.</p>

Quality Control (QC)	On a monthly basis, DWS quality control employee(s) will ensure program integrity by auditing a random sample of at least 10% of both the Worker approved UHAF Applications and 10% of the Worker denied UHAF Applications for both accuracy and completeness.
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