



## *Frequently Asked Questions*

### **1) What is Florida HFA Hardest-Hit Fund (HHF)?**

Florida Housing Finance Corporation (Florida Housing) was directed by US Treasury (Treasury) to create and administer foreclosure prevention assistance programs that address the unique issues of our state. Treasury requires that Florida use a portion of these funds specifically for targeted unemployment programs that provide temporary assistance to eligible homeowners.

### **2) What Programs are available?**

Florida Housing has two programs:

#### ***Unemployment Mortgage Assistance Program (UMAP)***

Loan funds can be used to pay monthly mortgage and escrowed mortgage-related expenses (i.e., property taxes, homeowner insurance, and mortgage insurance) until the homeowner can resume payments or for up to 18 months, whichever occurs first.

*Population to be served:* Homeowners who are unemployed, underemployed or have had a reduction of income due to the death, divorce or disability of a borrower or co-borrower. Homeowner must meet eligibility and program underwriting guidelines, and must complete a hardship affidavit.

*Use of funds:* Pay the monthly first mortgage payment.

#### ***Mortgage Loan Reinstatement Payment (MLRP) Program***

Loan funds can be used to bring the past-due first mortgage current; up to four months will be paid.

*Population to be served:* Homeowners who have been unemployed, underemployed or have had a reduction of income due to the death, divorce or disability of a borrower or co-borrower. Verification that homeowners will be able to make their payments will be required. Homeowner must meet eligibility and program underwriting guidelines and must complete a hardship affidavit.

*Use of funds:* MLRP funds will be used to bring a delinquent mortgage current for a homeowner who has returned to work or recovered from underemployment and can now resume the monthly mortgage payment(s) based on his/her new income. This type of assistance is appropriate when the homeowner needs help only to bring the mortgage and/or mortgage-related expenses current.

### **3) What are the eligibility requirements?**

Eligibility requirements are organized in three areas: (1) Household eligibility requirements; (2) Property eligibility requirements; and (3) Mortgage eligibility requirements.

Homeowners must meet ***all criteria*** within each category to qualify. However, homeowners who meet all eligibility criteria ***are not guaranteed approval*** for UMAP/MLRP assistance; homeowners can still be denied eligibility by their mortgage company.

#### ***Homeowner Requirements***

- Must be a Florida resident;
- Must be a legal US resident or a legal alien;
- Must occupy property as primary residence;
- Must be unemployed or underemployed;
- Total household income must be below 140% of the area median income (AMI) as provided by US Department of Housing and Urban Development (HUD); total household income includes all income for persons living in the home who are age 18 years and older; and
- Must have monthly housing debt of more than 31% of the homeowner's gross monthly income; the combined monthly dollar cost of the mortgage principal, interest, taxes, insurance and association dues of all secured mortgages **must be greater than 31%** of the total household's gross income after the financial hardship event.

**ALSO:** Homeowners who have unencumbered assets or cash reserves (not including retirement or qualified education plans) that are equal to or more than three times the total monthly mortgage payment (including tax and insurance payments), or that total \$5,000 (whichever is greater), must first use those assets toward mortgage payments or other existing debt before being eligible for UMAP/MLRP funds.

**IN ADDITION**: The borrower and/or co-borrower, through no fault of their own, must have experienced a financial hardship. The areas of financial hardship that must be reviewed include job loss (unemployed), reduction in income or hours worked (underemployed), or reduction of income for a self-employed homeowner. As of November 23, 2010, reduction of income due to the death, divorce or disability of a borrower or co-borrower **will not** qualify as a financial hardship.

***Exclusions***

Homeowner **cannot** have:

- A seller financed mortgage;
  - A bankruptcy that has not been discharged or dismissed; and
  - A conviction within the last 10 years on a mortgage-related felony.
    - Homeowners will be required to sign an affidavit stating s/he has not been convicted of a mortgage-related felony in the last 10 years; this includes larceny, theft, fraud, forgery, money laundering and/or tax evasion.
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***Property Requirements***

Homeowner's primary residence must be located in Florida and can be any one of the following structures:

- A single-family home;
- A condominium [unit must be listed on current Federal Housing Administration (FHA), Freddie Mac and Fannie Mae approved list];
- A townhome;
- A manufactured or mobile home on a foundation permanently affixed to real estate owned by the homeowners; or
- A two-, three- or four-family dwelling unit of which one unit is occupied by the homeowner as the primary residence.

***Exclusions***

- The property cannot be abandoned, vacant or condemned; and
  - The homeowner cannot have more than one property other than their primary residence.
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### **Mortgage Requirements**

- First mortgage is currently being serviced by a participating servicer/lender (as indicated by Florida Housing);
- First mortgage is with a regulated financial institution;
- First mortgage is no more than 180 days past due, at time of application;
- The existing first mortgage was originated on or before January 1, 2009, and the outstanding principal balance of the first mortgage is \$400,000 or less at the time of application; and
- The maximum combined loan-to-value is not more than 200%.

### **Exclusions**

- The mortgage cannot be seller-financed.

### **4) How do I apply?**

To apply for financial assistance from the fund, you will need to use our web-based system from a computer with Internet access. The website address is [www.FLHardestHitHelp.org](http://www.FLHardestHitHelp.org); this site contains all the information you will need to begin your application for assistance, with step-by-step instruction and prompts to help you. If you do not have access to the Internet from your residence, public computers can be found throughout many communities at public libraries, schools or educational centers, or government-run facilities in your county.

Once you log onto the website, you will need to follow the prompts provided for each step of the process and fill in the required information to the best of your knowledge. You do not have to do this all at once; you may save your work and log on as many times as you need to complete the intake information, prior to clicking the “submit” button. Since you are completing information related to your financial situation, it will be necessary for you to have the following documents readily available:

- Information about your first mortgage, such as your monthly mortgage statement;
- Information about any second mortgage or home equity line of credit, or other liens on the house;
- Your most recent income tax return;
- Information about your checking and/or savings accounts, and other assets; and
- Information about the monthly gross (before tax) income of your household, including recent pay stubs, or documentation of income you receive from other sources, such as unemployment compensation.

**5) What happens once I complete the application?**

Once you complete the required information on the website, you will be contacted by a HHF Advisor to set up an appointment to review your information. If you did not send the required documents electronically, including e-mail or fax, you should be prepared to bring them with you to your appointment. Please keep in mind that interest in these programs is high, so your appointment may be set for several weeks after you are initially contacted.

**6) How much assistance is available for me?**

A homeowner may receive a maximum of \$35,000, whether using UMAP, MLRP, or a combination of both programs. The funds used to pay the monthly first mortgage payment or the first mortgage past due amounts will be disbursed by Florida Housing directly to the loan servicer on behalf of the homeowner.

**7) What are the terms of the assistance?**

UMAP/MLRP program funds will be in the form of a 0% interest and deferred-payment loan that will be subordinate to current mortgages on the home. The loan will be forgiven over a five-year period, at a rate of 20% per year.

The loan must be paid back if the home is sold prior to the end of the UMAP/MLRP loan and there are sufficient proceeds from the sale to pay all superior secured loans. Florida Housing will agree to make the UMAP/MLRP loan subordinate for homeowners who refinance their first mortgage to receive more favorable loan terms. However, if a homeowner refinances the first mortgage loan to consolidate debt or receive cash out, the homeowner will be required to repay the UMAP/MLRP loan according to the loan terms.

**8) What follow-up is required for the HHF programs?**

For each month while mortgage payments are being made on your behalf, you will need to certify with your HHF Advisor that you are still unemployed/underemployed and experiencing a hardship. This will be done by checking unemployment records, bank statements current paystubs and other appropriate documentation of your situation or circumstances.

**9) Where can I find additional information about the Florida's HHF programs?**

More information on the HHF program can be found on the website [www.FLHardestHitHelp.org](http://www.FLHardestHitHelp.org).



*For questions, please call the Florida Hardest-Hit Fund Information Line toll-free at 1-(877) 863-5244.*