Frequently Asked Questions

(updated 5/2012)

NOTE: If you have previously completed an application for HHF program assistance, you WILL NOT be able to start another application. To see if you qualify for assistance under the revised eligibility requirements, please contact your assigned Advisor Agency to update your information and have your application re-evaluated to determine if you now qualify for HHF program assistance.

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 12 months, with a cap of $24,000, whichever occurs first. A homeowner participating in the UMAP will be required to pay 25 percent of his/her monthly income toward the monthly mortgage payment, with a minimum payment of $70 per month.

Additionally, for homeowners who are delinquent on the first mortgage at the time they qualify for the UMAP, up to $18,000 can be paid to bring the past due first

mortgage current; this assistance will reinstate the first mortgage prior to the UMAP payments beginning.

Population to be served: Homeowners who are unemployed, underemployed or have had at least a 10 percent reduction of income through no fault of their own, and are experiencing a financial hardship.

Use of funds: Pay the monthly first mortgage payment.

Mortgage Loan Reinstatement Payment (MLRP) Program
Loan funds can be used as a one-time payment to bring the past-due first mortgage current; up to $25,000 will be paid.

Population to be served: Homeowners who have been unemployed, underemployed and experienced at least a 10 percent reduction in income, and are now able to make their payments. In order to qualify for reinstatement funds, the homeowner must show that their monthly housing debt (the combined monthly payment of the mortgage principal, interest, taxes, insurance and association dues of all secured mortgages) is **less than** 31% of the homeowner's gross monthly income. The homeowner must meet eligibility and program underwriting guidelines, and must complete a hardship affidavit.

Use of funds: MLRP funds will be used as a one-time payment 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, and a legal US resident or a legal alien;
- Must occupy property as primary residence;
- Must be unemployed or underemployed, with at least a 10 percent reduction in income of the borrower/co-borrower;
- 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;
- 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; and
- Must have an active checking or savings account that can be debited by the ACH method of funds transfer.

ALSO: Homeowners who have unencumbered assets or cash reserves (not including items such as retirement or qualified education plans, household goods or motor vehicles necessary for transportation) 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; the financial hardship must be as the result of at least a 10 percent reduction in income.

Exclusions

Homeowner **cannot** have:

- 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.*

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 [last two years of the condominium association's financial statement will be required];
- 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.

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; and
- The outstanding principal balance of the first mortgage is $400,000 or less at the time of application.

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; 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 (for self-employed borrowers);
- 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.

Note: *If you receive a "referral code" from an approved Advisor Agency (which is a five-digit number that may be printed on HHF materials), you will need to type that number into the space titled "Referral Code" located on the first page of the online application to ensure you are automatically assigned to that specific Agency. You are not required to a referral code to complete the application; however, if you do not, you will be assigned to an Advisor Agency randomly. Florida Housing will not reassign you once the assignment has been made.*

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 via email, fax or mail, 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?

For UMAP, a homeowner may receive a maximum of $24,000 in funds for a period not to exceed 12 months; additionally, homeowners who qualify for the UMAP can

receive up to $18,000 to bring current their delinquent first mortgage prior to UMAP payments being made. For MLRP, a one-time payment of up to $25,000 is available to bring current a delinquent first mortgage. All funds 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, deferred-payment loan that will be subordinate to current mortgages on the home. The loan is forgiven at a rate of 20% starting 18 months after acceptance into the program (over a five-year period).

Additionally, a homeowner in the UMAP will be required to pay 25 percent of his/her monthly income toward the monthly mortgage payment, with a minimum payment of $70 per month. This will be collected via an automatic debit of the homeowner's checking or savings account each month. This partial payment will be combined with HHF funds and sent to the homeowner's mortgage company. If a homeowner fails to make this partial payment, s/he will be terminated from the program.

Additionally, the homeowner will be required to complete a quarterly certification that s/he continues to be eligible for UMAP payments. See answer for question 9 for more information.

The UMAP/MLRP loan must be paid back if your home is sold prior to the end of the loan period 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) Will a homeowner who receives HHF financial assistance through the UMAP and/or MLRP programs have to pay the money back?

See answer for Question 7.

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

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 financial hardship. This will be done by checking unemployment records, bank statements current paystubs and other appropriate documentation of your situation or circumstances. If meetings are canceled and the required documentation not submitted to your HHF Advisor in the timeframe provided, you will be terminated from the program.

10) I am more than 180 days delinquent on my first mortgage; can I still apply to receive HHF financial assistance?

Yes. Under the most current HHF program eligibility requirements, the number of months your mortgage is delinquent is not considered in determining your eligibility; however, keep in mind that your mortgage servicer has the final say as to whether or not it will accept HHF payments on your behalf.

11) Can a homeowner be a part of another program (HAMP, HARP, other loan modifications and/or trial periods) and still apply to receive Hardest-Hit Fund financial assistance?

You cannot be participating in a HAMP Trial Modification and receive Hardest-Hit funds. You will be contacted by your Servicer to verify if you want to remain in the HAMP Trial Modification or proceed with the HHF Program. Mortgage servicers may have different rules regarding the use of Hardest-Hit Funds with their proprietary, or in-house, modification programs.

In addition, current pending litigation on your primary residence mortgage may affect a servicer's participation in receiving mortgage payments on your behalf. Homeowners involved in pending mortgage litigation, up to and including foreclosure proceedings with the mortgage lender, servicer or other parties, ***may not be eligible*** to receive UMAP/MLRP financial assistance.

12) A homeowner has questions about the application s/he has already completed or has questions during the process of completing the application.

If during the application process you are unsure as to how to complete the application, or you have any questions at all, please click on the "Assign Me Now" button, which located throughout the application. When you click this button, you will be assigned to an Advisor Agency that can assist you through the application process.

13) 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.

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