Program Fact Sheet

Background

In February 2010, US Treasury (Treasury) created the "Housing Finance Agency (HFA) Innovation Fund for the Hardest-Hit Housing Markets" (HFA Hardest-Hit Fund) and allocated funds under the Emergency Economic Stabilization Act of 2008 (EESA) to five states: Arizona, California, Florida, Michigan and Nevada. The funds were allocated to these states because of their excessive housing market depreciation and to assist in foreclosure prevention efforts. In March 2010, Treasury allocated a second disbursement of $600 million to an additional five state HFAs based on high unemployment rates. On August 11, Treasury again expanded the HFA Hardest-Hit Fund to include a total of 18 states and the District of Columbia, and added an additional $2 billion. Florida received another allocation of funds, $236.8 million, from the third round of funding, which added to the initial allocation of $418 million, brought Florida's total funding to $656.8 million. Most recently, on September 29, 2010, Treasury announced a fourth round of funding, awarding Florida an additional $401 million; this brings Florida's total award amount to more than $1 billion.

Current Programs

Florida Housing Finance Corporation (Florida Housing) was directed by Treasury to use a portion of these funds specifically for targeted unemployment programs that provide temporary assistance to eligible homeowners.

These targeted unemployment programs—collectively known as the Florida Hardest-Hit Fund (HHF) program—are as follows:

- **Unemployment Mortgage Assistance Program (UMAP)** will provide up to 12 months of payments (with a cap of $24,000) to the mortgage lender to assist unemployed or underemployed borrowers with their first mortgage until they can resume full payments on their own. In addition, up to $18,000 can be paid up-front to reinstate a delinquent first mortgage before UMAP payments commence. Total assistance available is up to $42,000.
- **Mortgage Loan Reinstatement Payment (MLRP) Program** will be used as a one-time payment to bring a delinquent mortgage current (up to $25,000) for a homeowner who has returned to work or recovered from underemployment.

Florida homeowners may apply for HHF assistance using the web-based, online system at www.FLHardestHitHelp.org. The site contains all the information a homeowner needs to apply, including detailed eligibility criteria, step-by-step prompts, FAQs, etc.

The Florida HHF program began in October 2010 with a pilot implemented in Lee County; the program opened statewide on April 18, 2011. Revisions to Florida HHF eligibility criteria and program benefits were implemented in June 2012.

Florida HHF Program 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 Florida HHF assistance; homeowners can still be denied eligibility by their mortgage company.

Also, the borrower/co-borrower, through no fault of their own, must have experienced at least a 10 percent reduction in income that results in a financial hardship due to job loss (unemployed), reduction in income or hours worked (underemployed), or reduction of income for a self-employed homeowner.

Homeowner Requirements

- Must be a legal US resident or a legal alien AND a Florida resident;
- Must occupy the property as primary residence; cannot own more than one additional property;
- Must be unemployed or underemployed, with at least a 10 percent reduction in income for 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;
- Must have an active checking or savings account that can be debited by the ACH method of funds transfer; and
- Any bankruptcies must be discharged.

Property Requirements

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

- A single-family home or townhome;
- A condominium (last two years of the condominium association's financial statement will be required);
- A manufactured or mobile home on a foundation permanently affixed to real estate owned by the homeowners; or
- An up to four-unit family dwelling of which one unit is occupied by the homeowner as the primary residence.
- Homeowner(s) must not own more than one (1) additional property other than the 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;
- The unpaid principle balance of the first mortgage must be less than $400,000.