



Underwater Georgia Program Messaging

ABOUT UNDERWATER GEORGIA

Underwater Georgia is a limited-time, federally funded initiative to help Georgians who owe more on their mortgages than their homes are worth through a one-time principal reduction. Underwater Georgia is administered by the Georgia Department of Community Affairs (DCA) as part of DCA's HomeSafe Georgia program. For eligible applicants, the program may be able to provide a one-time payment of up to \$50,000 to the mortgage lender to reduce the principal balance on the home.

Being "underwater" (also known as having negative equity) means you owe more on your home than it is currently worth. Homeowners with significant negative equity are locked into their homes, which may prevent them from refinancing or ultimately result in the homeowner abandoning the home. A large concentration of properties with negative equity puts a community at risk and can delay a housing recovery.

Underwater Georgia is funded through the U.S. Department of Treasury's Hardest Hit Fund[®] program, which was created to help families most impacted by the housing crisis that began in 2007. It is administered in Georgia by the Georgia Department of Community Affairs (DCA) as part of DCA's HomeSafe Georgia program.

While the housing market has strengthened in recent years, many homeowners and neighborhoods continue to experience the lingering effects of the housing crisis. According to CoreLogic, 8.92 percent (or 152,000) of the homes in Georgia were underwater as of the first quarter 2016. More than 50,000 of those homes were located in just 20 Georgia zip codes, concentrated primarily in metro Atlanta and the Columbus area.

The total budget for Underwater Georgia is approximately \$110 million. Based on current funding, an estimated 2,700-3,000 Georgia homeowners will be able to receive assistance through the program.

ELIGIBILITY REQUIREMENTS

To qualify, homeowners must meet several criteria about how long they've owned the home, total mortgage balance and loan to value ratio, total household income and assets, and other factors. They also cannot previously have received assistance through HomeSafe Georgia.

To qualify...

- The property must be the applicant's **primary residence** (and only home) and purchased prior to January 1, 2012.
- The total **amount owed** on all mortgages on the home must be \$250,000 or less and mortgage payments have to be less than 90 days past due.
- Total **gross household income** must not exceed 140 percent of the Area Median Income (AMI).
- The property must have a total **loan to value (LTV) ratio** of at least 110 percent and must be able to be reduced to at least 125 percent after assistance. (For example, the LTV ratio of a home valued at



\$175,000 with a total mortgage balance of \$200,000 is 114 percent ($\$200,000/\$175,000$) – so the home would qualify, assuming other requirements are met.)

Additional eligibility requirements can be found at underwatergeorgia.org.

TO LEARN MORE AND APPLY

For more information and to determine if you may qualify, visit underwatergeorgia.org.

Because demand for the program is expected to far surpass the total resources available, Underwater Georgia will select qualified applicants through a random process via a third party.

1. From September 28 through October 18, Georgia homeowners can visit underwatergeorgia.org to learn about the program and its requirements.
2. There, you can also complete a brief **pre-qualification quiz**, which will help you determine whether you are likely to qualify for the program.
3. To move forward, you will need to submit a **pre-application by October 18**, which asks for your contact information and details including when you purchased your home, its value and mortgage balance and more.
4. A random selection process via a third party will be conducted among pre-applications submitted. Representatives from the Georgia Department of Community Affairs will contact homeowners selected and work with them directly to complete a **full application**, which also includes submitting supporting documentation. Full applications will be reviewed and determined for eligibility.
5. If approved, homeowners will receive **principal reduction assistance** until available funds have been exhausted. At that time, approved applicants will be placed on a waitlist and may receive assistance if additional funds become available.

Customer Service representatives will be available 24 hours per day, seven days a week from Sept. 28 to Oct. 18 toll free at 1-877-519-4443. Or you can email underwatergeorgia@dca.ga.gov.

HOW THE PROGRAM IS BEING PROMOTED

The Georgia Department of Community Affairs is working to ensure homeowners in our state who may qualify for the program have the opportunity to learn more and pre-apply. In addition to the Underwater Georgia website and earned, paid and social media, DCA is working with mortgage lenders, counseling agencies and local governments statewide. Georgia zip codes with a higher than average number of qualifying homes are being targeted for additional outreach.