



# HomeSafe Georgia

February 1, 2011

RE: Participation in the Hardest-Hit Fund Program in Georgia

The United States Department of Treasury (Treasury) established the Hardest Hit Fund (HHF) Program in February 2010 to provide targeted aid to families in states hit hard by the economic and housing market downturn. The Georgia Department of Community Affairs (DCA) under contract with Georgia Housing and Finance Authority's GHFA Affordable Housing Inc. will administer Georgia's HHF Program.

We would like to invite you to participate in Georgia's HHF Program, HomeSafe Georgia. We expect to help approximately 18,000 Georgia homeowners avoid foreclosure. The HomeSafe Georgia Program is expected to launch on April 1, 2011.

Successful applicants will close on a subordinate loan similar to a home equity line of credit. The loan will be at 0% interest. DCA will use the loan funds to pay all or a portion of the monthly mortgage payment to the lender until the borrower can resume payments, or for up to 18 months, whichever comes first. Following the assistance period, the loan will be forgiven at a rate of 20% per year for 5 years.

Loan funds may also be used to reinstate a past-due (no more than six months) mortgage. The number of past-due months in a reinstatement will count towards the maximum 18 months of assistance. There is no cost to participate in the Program; however, the borrower may be required to make partial mortgage payments during the Program.

We encourage your Company's participation in the program. The enclosed materials provide information your company needs to participate as well as the information we need to confirm your participation. Participation includes:

- Allowing funds to flow to your company on behalf of eligible borrowers;
- Providing a point of contact within your institution for DCA staff; and
- Assisting DCA with reporting requirements.

We have enclosed the following documents to help your company sign up to participate and learn more about our program:

- HomeSafe Georgia FAQs
- ACH Application for your company to receive funds from DCA on behalf of eligible borrowers
- Servicer Contact Form

A successful program will enable homeowners to remain in their homes and lenders to maintain their current portfolios. Please complete and return the enclosed documents to us as soon as possible so we can move forward in our efforts to help the Georgia borrowers who need assistance. Together we can make HomeSafe Georgia a success!

Thank You,

Brenda McGee  
HomeSafe Georgia Manager



HomeSafe Georgia

## Servicer Enrollment

Please provide us with a primary and secondary contact for HHF below:

### Primary

Name \_\_\_\_\_ Title \_\_\_\_\_

Area of Responsibility \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Office Hours \_\_\_\_\_

### Secondary

Name \_\_\_\_\_ Title \_\_\_\_\_

Area of Responsibility \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Office Hours \_\_\_\_\_

Please return the Servicer Enrollment package to [hhf@dca.ga.gov](mailto:hhf@dca.ga.gov)



## **Georgia's Hardest Hit Fund- Frequently Asked Questions**

### **1. Why is the State of Georgia receiving these funds?**

The United States Department of Treasury (Treasury) established the Hardest Hit Fund (HHF) Program in February 2010 to provide targeted aid to families in states hit hard by the economic and housing market downturn.

The HHF plans for Georgia were approved by the Treasury on September 23, 2010. Other states approved for HHF funds include Alabama, Arizona, California, Florida, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and the District of Columbia.

For more information on the Treasury's HHF Program, go to <http://www.financialstability.gov/roadtostability/hardesthitfund.html>

The Georgia Department of Community Affairs (DCA) under contract with Georgia Housing and Finance Authority's GHFA Affordable Housing, Inc. will administer Georgia's HHF Program.

### **2. What is the purpose of the Georgia HHF Program?**

The purpose of the Program is to prevent foreclosure by providing mortgage payment assistance to Georgia unemployed or underemployed homeowners while they seek new or better employment.

### **3. What type of assistance will be offered?**

Successful applicants will close on a subordinate loan similar to a home equity line of credit. The loan will be at 0% interest. DCA will use the loan funds to pay all or a portion of the monthly mortgage payment to the lender until the borrower can resume payments, or for up to 18 months, whichever comes first. Following the assistance period, the loan will be forgiven at a rate of 20% per year for five years.

Loan funds may also be used to bring a past-due (no more than six months) first mortgage current. This is referred to as a reinstatement. The number of past-due months in a reinstatement will count towards the maximum 18 months of assistance.

There is no cost to participate in the Program; however, the borrower may be required to make partial mortgage payments during the Program.

### **4. When will the assistance be available in Georgia?**

Before the HHF Program can be launched statewide, DCA must conduct a "Pilot", now in progress, to ensure processes, compliance, and reporting functions work properly and meet Treasury's requirements. Statewide launch is expected no later than April 1, 2011. If an earlier start date is possible, it will be announced on the DCA website [www.dca.ga.gov](http://www.dca.ga.gov).

### **5. Is there an application? If so where do I get one and how do I submit it?**

The HHF Program is not open to the general public at this time. Once the HHF Program is launched, the website will be posted and linked from the DCA website. The dedicated website will provide more information

about the HHF Program and will include a list of participating lenders that will be updated as the Program progresses. Applicants will complete the application (electronically) on-line.

## **6. Who is eligible for HHF Program assistance?**

Applicants must meet all applicant eligibility requirements and the property must meet all property eligibility requirements. The eligibility requirements must be maintained during HHF Program participation; monthly certification is required.

### **Eligibility Requirements for Applicant and Property**

The Applicant must be:

- Currently unemployed, or
- Currently substantially underemployed, or
- Currently able to make their mortgage payment, but got behind while they were unemployed or underemployed; and

Additionally, the Applicant:

- Must be unemployed or underemployed resulting from an involuntary separation (self-employed will be required to provide additional documentation of loss of income);
- Must have been current on mortgage payments prior to the period of unemployment/underemployment;
- Must have monthly mortgage payment(s) greater than 31% (including escrow payments) of current monthly household income;
- Cannot have an active bankruptcy;
- Cannot have liquid assets exceeding \$5,000;
- Cannot have any IRS or Georgia tax liens;
- Cannot have been convicted of a mortgage related felony in the last 10 years;
- Must be the owner of the property; and
- Must be a legal resident of the United States and Georgia.

The Georgia Property:

- Must be owned by the applicant;
- Must be the primary residence of applicant;
- Must be a single-family home, condominium, or townhome; or a two, three, or four family dwelling unit (in which the applicant resides in one unit);
- Must be classified as real estate and affixed on permanent foundation if a manufactured or mobile home;
- The sum of all mortgage debt must not be more than 125% of the value of the property; and
- The total unpaid principal balance, including all mortgages and lines of credit, must be less than or equal to \$417,000.

Additional Requirements:

- The applicant's Lender/Service must agree to participate in program (on all mortgage loans on property);
- The applicant may be required to pay an affordable payment while receiving the assistance.

Additional underwriting criteria may also be established.

# GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS



**Directions**

- Type or print the information requested in Sections 1 and 2. Then sign, date, and return the form to the Georgia Department of Community Affairs (DCA). Send any changes via email to [gail.dawson@dca.ga.gov](mailto:gail.dawson@dca.ga.gov) and [jeannie.johnston@dca.ga.gov](mailto:jeannie.johnston@dca.ga.gov).
- Any account changes must be reported to DCA ten (10) days prior to actual change.
- Payee must keep DCA informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

### Section 1- Entity to Receive Direct Deposit

Type of Transaction:    Add    Change    Delete

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Name of Company \_\_\_\_\_ Country \_\_\_\_\_ Telephone \_\_\_\_\_

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Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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Federal Tax ID

### Section 2- Financial Institution Authorized to Conduct Transaction

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Financial Institution \_\_\_\_\_ Country \_\_\_\_\_ Telephone \_\_\_\_\_

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Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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Transit Routing/ ABA Number

Type of Account

Checking    Savings

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Account Number at Above Institution

- Whereby we authorize DCA to initiate credit entries to our account in the financial institution our account identified above and also debit entries, if necessary, for any credit entries that are determined to be in error. We additionally authorize the financial institution to credit or debit the same to our account.
- This authority is to remain in effect until revoked by us in writing to DCA.

**If you have any questions about this form, please contact Gail Dawson at (770) 806-2075.**

Signature	Title
Type or Print Name	Date

For DCA use only	Date Received _____	Date Entered _____	Initials _____
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**Hardest Hit Fund**  
**Servicer Participation Agreement between**  
**GHFA Affordable Housing, Inc. (Eligible Entity) and \_\_\_\_\_ (Servicer)**

**The undersigned hereby confirm their mutual agreement on the following principles relating to the Servicer's participation in the Eligible Entity's Hardest Hit Fund (HHF) program:**

1. Each Eligible Entity is responsible for the selection/qualification of borrowers to receive HHF funding; a Servicer will not be involved in the selection but may, with pre-authorization from the Eligible Entity, refer borrowers for consideration.
2. Servicers shall establish specific points of contact for HHF cases for the Eligible Entity. This includes call center and email provisions for both the Eligible Entity and its agents (such as HUD-approved counseling agencies). The Eligible Entity will also establish points of contact for Servicers.
3. Upon notification that a borrower has been conditionally approved for HHF, the Servicer shall not initiate the foreclosure process or, if the borrower is already in the foreclosure process, conduct a foreclosure sale for 45 days, with any extensions by mutual consent of the Eligible Entity and the Servicer.
4. All communication that includes borrower's Nonpublic Personal Information between the Eligible Entity and Servicer shall be through encrypted email, secure loan port or other similar secure electronic delivery system. In accordance with HUD, privacy, telemarketing, and information security laws, regulations, and guidelines, each party to this agreement agrees that it will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, including, without limitation, appointing a manager or group to coordinate compliance with the confidentiality obligations herein, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (d) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards. For the purposes of this Agreement, the term "Nonpublic Personal Information" shall mean any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, or financial data, medical or health records, personal, gender, political, profile, account, and password information.

5. Where possible, there will be a defined automated and secure process to submit borrowers to the Servicer for workout consideration. There will be no cost of use for Servicer to access.
6. All HHF programs and workout options will be conducted in accordance with the program descriptions and requirements detailed in the attached Standardized Program term sheet(s), which require acceptance by the Servicer and Eligible Entity. It is the Servicer's responsibility to obtain investor and mortgage insurer approval. Servicer may object to a particular transaction, in consultation with the Eligible Entity, for a limited set of reasons including fraud, bankruptcy restrictions, foreclosure status and prior history with the borrower. Servicer must provide documentation of the reason for rejection upon request by the Eligible Entity.
7. Not all borrowers that qualify for HHF will qualify for Home Affordable Modification Program ("HAMP") or other workout options; information about assisted borrower's workout status should be communicated by the Servicer to the Eligible Entity.
8. Servicer will only waive late charges or non-sufficient fund fees - all advances such as foreclosure or bankruptcy costs are payable by the borrower or investor.
9. Participation in the HHF program is voluntary and either party may terminate the agreement without cause on 30 days written notice. A Servicer may choose to participate in one HHF program but not another.
10. The Eligible Entity or its third party partners assisting in the intake function (non-profit counselors) must secure written authorization from each borrower to share information. Servicer must receive a copy of the signed authorization.
11. For unemployment assistance, program funds will only be applied towards principal, interest, taxes and insurance ("PITI"); for reinstatement programs, funds may also be applied to attorney's fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked, and other fees and expenses if they are deemed an advance on behalf of the homeowner by the Servicer. Servicers will not apply HHF funds to homeowner association ("HOA") payments unless HOA payments have been escrowed and are included in the borrower's monthly PITI payment.
12. Non-escrowed loans will not be required to become escrowed for unemployment assistance; borrower or Eligible Entity will be responsible for payment of non-escrowed property-related expenses (e.g. property taxes and insurance).
13. Servicer will provide Eligible Entity with loan performance data for all borrowers who receive assistance as specified in the program term sheet through secured means for up to 12 months after assistance ends.
14. Servicer is responsible for timely application of Eligible Entity funds; Servicer shall hold the borrower harmless if payments are not applied timely. Servicer agrees to provide reports to document that funds were applied.

- 15. The Eligible Entity is responsible for continuing eligibility of the borrower for its HHF program and any related fraud detection. Servicer will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible.
- 16. Servicer should notify the Eligible Entity of any ongoing action against a borrower, including fraud-related activities, and if it has evidence that the property is non-owner occupied.
- 17. Servicer shall notify the Eligible Entity of any changes in monthly payment amount at least 30 calendar days prior to the change.
- 18. Where possible, the Eligible Entity will provide at least 30 days' notice before it will cease borrower payments to allow the Servicer time to evaluate the borrower for other loss mitigation options.
- 19. Servicer agrees that it is not authorized or empowered to determine and/or communicate to the homeowner eligibility for HHF foreclosure prevention programs. Eligible Entity agrees that it is not authorized or empowered to determine and/or communicate to the homeowner eligibility for foreclosure prevention programs of the Servicer. Eligible Entity retains sole authority for its program eligibility determination and communication to the homeowner and Servicer. Servicer will communicate with borrowers and Eligible Entity regarding modification and other Servicer-driven approvals.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
 \_\_\_\_\_  
 Print Name Title

**GHFA Affordable Housing, Inc.**

**(Eligible Entity)**

\_\_\_\_\_  
 \_\_\_\_\_  
 Print Name Title

**(Servicer)**