



HomeSafe Georgia

Participation in the Hardest-Hit Fund Program in Georgia

Dear Servicer:

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. administers Georgia's HHF Program, **HomeSafe Georgia**, which launched on April 1, 2011.

We would like to invite you to participate in the HomeSafe Georgia Program. We expect to help approximately 12,000 Georgia homeowners avoid foreclosure.

Successful applicants will close on a subordinate loan similar to a home equity line of credit. The no interest loan provides a maximum 18 months of assistance. Following the assistance period, the loan will be forgiven at a rate of 20% per year for 5 years. There is no application fee or closing cost to the homeowner.

HomeSafe Georgia will use the loan funds to submit monthly mortgage payments to the servicer on the homeowner's behalf, until the homeowner can resume payments or for up to 18 months, whichever comes first. If the homeowner has delinquent payments, up to 6 months of the 18 months will be used in an upfront reinstatement.

HomeSafe Georgia loan funds may also be used to reinstate a delinquent mortgage for the homeowner whose hardship has already ended, but got behind on their mortgage during the hardship. Reinstatement allows up to 6 delinquent months plus any forbearance differential occurring during the hardship, plus lender/servicer fees, not to exceed the equivalent of 18 months of assistance.

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 FAQ
- Servicer Contact Form
- ACH Application for your company to receive funds from DCA on behalf of eligible borrowers
- HHF Agreement

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 Director



HomeSafe Georgia

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, plus the District of Columbia.

For more information on the Treasury's HHF Program, go to

<http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/Pages/Program-Documents.aspx>

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 temporary 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. Following the assistance period, the loan will be forgiven at a rate of 20% per year for five years.

HomeSafe Georgia will use the loan funds to pay all or a portion of the monthly mortgage payment to the servicer for up to 18 months. Assistance can be in the form of reinstatement (up to 6 months), monthly assistance, or a combination of the two.

There is no cost to participate in the Program; however, under monthly assistance, the borrower will be required to make partial mortgage payments of 5% of gross household income during participation. This amount will be collected by HomeSafe Georgia and combined with assistance for one payment to the servicer.

4. How long will the assistance be available in Georgia?

The Program will end on December 31, 2017 or when funds run out, whichever occurs first. Applications are worked on a first come basis.

5. What is the application process?

Homeowners can apply on-line at www.HomeSafeGeorgia.com. Applicants without a computer have free access (including copier and fax) at their local Department of Labor Career Center. Limited use of a computer may also be available at the applicant's local library. Applicants needing assistance with the application should contact HomeSafe Georgia's Customer Service. Once completed, the completed application package must be faxed or mailed to HomeSafe Georgia.

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 and quarterly certification is required during HomeSafe Georgia Program monthly assistance participation.

Eligibility Requirements for Applicant and Property

The Applicant must be:

- Currently unemployed, or
- Currently substantially underemployed (25% reduction for wage earner/ 30% loss in gross receipts for self employed), or
- Currently able to make their mortgage payment, but got behind while they were unemployed or underemployed; and

Additionally, the Applicant:

- Unemployment or underemployment must have been involuntary;
- Must have been current on mortgage payments prior to the period of unemployment/ underemployment;
- Must have monthly mortgage payment(s) greater than 25% (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; 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 first mortgage Lender/Service must agree to participate in Program
- The applicant will be required to pay 5% of gross household income toward his/her mortgage payment while receiving the assistance. (A waiver is available for those currently serving in the military or honorably discharged veterans.)

Additional underwriting criteria may also be established.

Please visit our website www.HomeSafeGeorgia.com for more information.



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

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 _____ 20__.

 Print Name Title

GHFA Affordable Housing, Inc.

(Eligible Entity)

 Print Name Title

(Servicer)

