

# MARYLAND HOMEOWNER ASSISTANCE FUND

## MAIN PURPOSE AND GOALS:

The Homeowner Assistance Fund (HAF) was created under section 3206 of the American Rescue Plan Act of 2021. It provides residential mortgage assistance and other homeownership related financial assistance to Maryland homeowners who have experienced a hardship during the COVID-19 pandemic to avoid loss of residence for eligible homeowners. The Maryland Department of Housing and Community Development will administer the program by taking applications through an online portal. Homeowners with mortgages should be working with their mortgage servicers so that HAF assistance is supplementary to options that might be offered by the mortgage servicer such as various loan modifications.

## PROGRAM INCEPTION AND DURATION:

The Maryland Homeowner Assistance Fund opened to homeowners statewide on December 20, 2021. The program will continue until September 30, 2026, or until funding is fully reserved, whichever comes first.

## STRUCTURE:

This assistance will take two forms – the Maryland Homeowner Assistance Fund Grant (**HAF Grant**) and the Maryland Homeowner Assistance Fund Loan (**HAF Loan**). The HAF Loan may be combined with the HAF Grant and/or with the HAF WholeHome Grant.

### HAF GRANT

The program will offer a one-time payment designed to avoid imminent displacement due to, but not limited to:

- Property tax delinquency,
- Chattel loan delinquency,
- Manufactured housing/mobile home loan; or land lease/ground rent delinquency
- Homeowner or Condominium Association fee delinquency
- Home Insurance fees delinquency
- Municipal sewer and water fees delinquency
- Mortgage delinquency

#### Specific grant eligibility:

The HAF Grant borrowers' household gross income may not exceed **100% of area median income (AMI)**

#### Specific terms:

- Outright grant - there is no mortgage recorded on the property
- maximum assistance - \$20,000

### HAF LOAN

The program will offer a one-time payment of a delinquent mortgage amount and/or additional funds to facilitate a principal reduction or rate reduction to reduce ongoing mortgage payments to levels affordable to the homeowner. Specifically, the HAF funds will be required to result in the monthly mortgage payments (principal, interest and escrows) being less than 50% of the household gross monthly income. Servicer's loss mitigation workout must be used to cure the delinquency and/or bring the monthly mortgage payment below 50% of the household gross income before using HAF money.

Assistance payments will be made directly to the mortgage servicer.

#### Specific loan eligibility and terms:

The HAF Loan borrower's household gross income may not exceed **150% of area median income (AMI)** (see the last page)

#### Specific terms:

- The loan will require a recorded lien on the property
- \$40,000 maximum loan amount
- 0% interest rate
- Deferred payments for the life of the first mortgage
- Payment due in full when the first mortgage ends (repayment, refinance, transfer, sale)
- Repayment is subject to review and the department may, based on homeowner's equity in the property at the time of repayment:
  - require payment in full
  - establish a payment plan
  - allow full or partial forgiveness.

<b>GENERAL ELIGIBILITY REQUIREMENTS</b>	<p>In order to be eligible under HAF, all borrowers will have to be/have:</p> <ul style="list-style-type: none"> <li>• an eligible COVID-19 financial hardship after January 21, 2020 (includes hardships that began before January 21, 2020, but continued after that date)</li> <li>• Maryland residents</li> <li>• 90 days in arrears</li> <li>• homeowners residing in their primary residence</li> <li>• homeowners by evidence of the deed.</li> </ul> <p>The delinquent mortgage must have had a principal balance that did not exceed the <u>conforming loan limit at the time of origination</u>.</p>
<b>COVID-19 RELATED FINANCIAL HARDSHIP REQUIREMENT</b>	<p>In order to receive assistance, eligible homeowners must have experienced a COVID-19 related financial hardship, as defined in the U.S. Treasury Department guidance, after January 21, 2020 (including hardships that began before January 21, 2020, but continued after that date). The hardship will be self-attested by the borrower in the HAF application form and can be due to decrease in household income, increase in household expenses or other situations. Examples of COVID-19 related hardship include: having to perform essential work during the pandemic; child care/educational costs; costs of caring for an elderly, disabled, or sick family member; illness; death in the family, etc.</p>
<b>TOTAL PROGRAM ALLOCATION</b>	<p>HAF Grant: \$34,000,000 HAF Loan: \$156,300,521</p>
<b>GENERAL PROPERTY ELIGIBILITY CRITERIA AND TYPE</b>	<p>The property must be a one-to-four unit, including condominium units, owner-occupied primary residence located in Maryland. Acceptable property types are: detached, single family, duplex, triplex, fourplex, condominium, co-op and manufactured housing/mobile home.</p>
<b>OTHER CRITERIA</b>	<p><b>HAF GRANT:</b> ELIGIBLE PROPERTY TAX ASSISTANCE For property taxes to be an eligible cost under the MD HAF Grant, the following criteria must be met:</p> <ul style="list-style-type: none"> <li>• The property taxes can be paid directly to the taxing authority rather than through an escrow arrangement with a home mortgage servicer if the respective taxes are not part of an escrow arrangement, and</li> <li>• The payment for the property tax bill could have become due before January 21, 2020 and continued after January 21, 2020 due to pandemic hardship.</li> </ul> <p>Applicants cannot receive more than the documented property tax bill and/or costs necessary to remove a lien placed on the property due to failure to pay property taxes due after January 21, 2020.</p> <p><b>ELIGIBLE HOMEOWNER FEE ASSISTANCE</b> For Homeowner Fees to be an eligible cost under the MD HAF Grant, the following criteria must be met:</p> <ul style="list-style-type: none"> <li>• The Homeowner Fees must be paid directly to the imposing entity rather than through an escrow arrangement with a home mortgage servicer for a HAF Grant.</li> <li>• The payment for the Homeowner Fees could have become before January 21, 2020 and continued after January 21, 2020 due to pandemic hardship.</li> <li>• The following Homeowner Fees are eligible for payment through the MD HAF program: homeowner's insurance, flood insurance, mortgage insurance, homeowner's association fees or lien, condominium association fee, common charges, ground rent etc.</li> <li>• The cost must be a requirement for residency and the applicant must provide an explanation and document the cost. Payments to local taxing authorities, homeowner insurance companies, or entities that assessed Homeowner Fees cannot be more than the documented bills, invoices, and/or liens.</li> </ul> <hr/> <p><b>HAF LOAN:</b> ADDITIONAL ELIGIBILITY CRITERION The payment affordability (housing) ratio (PITI/household gross monthly income) will be capped at 50% (including after mortgage reinstatement or modification).</p> <p><b>FLEXIBLE THRESHOLD BETWEEN THE GRANT AND THE LOAN:</b> If the non-mortgage related arrears exceed the proposed new cap of \$20,000 Grant, we will use a portion of the loan available under the HAF program not exceeding the proposed new cap of \$40,000 Loan. Concomitantly, in the circumstances the mortgage related arrears exceed the proposed new cap of \$40,000 Loan, we will use a portion of the Grant available under the HAF program not exceeding the proposed new cap of \$20,000 to assist with saving a homeowner's primary residence, in line with the purpose and mission of the MD HAF program. In any instance, the total HAF money available for each file will not exceed an aggregate amount of \$60,000.</p>

## HAF 100% AMI LOW INCOME LIMITS BY HOUSEHOLD SIZE (CAPPED AT US MEDIAN)

JURISDICTION	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Allegany	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,500	\$89,300	\$95,050
Anne Arundel	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Baltimore	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Baltimore city	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Calvert	\$90,300	\$103,200	\$116,100	\$129,000	\$139,350	\$149,650	\$160,000	\$170,300
Caroline	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,550	\$89,300	\$95,050
Carroll	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Cecil	\$79,900	\$79,900	\$85,050	\$94,500	\$102,100	\$109,650	\$117,200	\$124,750
Charles	\$90,300	\$103,200	\$116,100	\$129,000	\$139,350	\$149,650	\$160,000	\$170,300
Dorchester	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,550	\$89,300	\$95,050
Frederick	\$90,300	\$103,200	\$116,100	\$129,000	\$139,350	\$149,650	\$160,000	\$170,300
Garrett	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,550	\$89,300	\$95,050
Harford	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Howard	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
Kent	\$79,900	\$79,900	\$79,900	\$79,900	\$84,800	\$91,100	\$97,350	\$103,650
Montgomery	\$90,300	\$103,200	\$116,100	\$129,000	\$139,350	\$149,650	\$160,000	\$170,300
Prince George's	\$90,300	\$103,200	\$116,100	\$129,000	\$139,350	\$149,650	\$160,000	\$170,300
Queen Anne's	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750
St. Mary's	\$79,900	\$87,000	\$97,850	\$108,700	\$117,400	\$126,100	\$134,800	\$143,500
Somerset	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,550	\$89,300	\$95,050
Talbot	\$79,900	\$79,900	\$79,900	\$87,400	\$94,400	\$101,400	\$108,400	\$115,400
Washington	\$79,900	\$79,900	\$79,900	\$79,900	\$83,400	\$89,600	\$95,750	\$101,950
Wicomico	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,550	\$89,300	\$95,050
Worcester	\$79,900	\$79,900	\$79,900	\$79,900	\$86,200	\$92,600	\$99,000	\$105,350
Anne Arundel	\$79,900	\$84,100	\$94,600	\$105,100	\$113,550	\$121,950	\$130,350	\$138,750

## HAF 150% AMI LOW INCOME LIMITS BY HOUSEHOLD SIZE (CAPPED AT US MEDIAN)

JURISDICTION	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Allegany	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Anne Arundel	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Baltimore	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Baltimore city	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Calvert	\$135,450	\$154,800	\$174,150	\$193,500	\$209,000	\$224,500	\$239,950	\$255,450
Caroline	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Carroll	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Cecil	\$99,250	\$113,400	\$127,600	\$141,750	\$153,100	\$164,450	\$175,800	\$187,150
Charles	\$135,450	\$154,800	\$174,150	\$193,500	\$209,000	\$224,500	\$239,950	\$255,450
Dorchester	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Frederick	\$135,450	\$154,800	\$174,150	\$193,500	\$209,000	\$224,500	\$239,950	\$255,450
Garrett	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Harford	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Howard	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
Kent	\$82,450	\$94,200	\$106,000	\$117,750	\$127,200	\$136,600	\$146,050	\$155,450
Montgomery	\$135,450	\$154,800	\$174,150	\$193,500	\$209,000	\$224,500	\$239,950	\$255,450
Prince George's	\$135,450	\$154,800	\$174,150	\$193,500	\$209,000	\$224,500	\$239,950	\$255,450
Queen Anne's	\$110,400	\$126,150	\$141,900	\$157,650	\$170,300	\$182,900	\$195,500	\$208,100
St. Mary's	\$114,150	\$130,450	\$146,750	\$163,050	\$176,100	\$189,150	\$202,200	\$215,250
Somerset	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Talbot	\$91,800	\$104,900	\$118,000	\$131,100	\$141,600	\$152,100	\$162,600	\$173,100
Washington	\$81,100	\$92,650	\$104,250	\$115,800	\$125,100	\$134,350	\$143,600	\$152,900
Wicomico	\$79,900	\$86,400	\$97,200	\$108,000	\$116,650	\$125,300	\$133,950	\$142,600
Worcester	\$83,800	\$95,800	\$107,750	\$119,700	\$129,300	\$138,900	\$148,450	\$158,050