HAF Plan – Draft

Table of Contents

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Note: This doc contains excerpts from the U.S. Department of the Treasury "Homeowner Assistance Fund Guidance" ("Treasury Guidance") at each section. Treasury Guidance is *italicized* for easy identification. It will be removed prior to finalization and submission to the U.S. Department of the Treasury.

Per Treasury Guidance: To receive HAF funds beyond the initial 10% payment described above, an eligible entity must develop and submit a plan for its use of HAF funding. These HAF plans will describe in detail the needs of homeowners within the relevant jurisdiction, the design of each program the eligible entity proposes to implement using HAF funds, performance goals, and information regarding the eligible entity's readiness to implement the programs. In developing HAF plans, Treasury expects that eligible entities will follow their state open meeting or "sunshine" laws (with associated public hearings conducted in a manner appropriate for local public health conditions), and Treasury encourages eligible entities to post draft HAF plans for public comment and hold public hearings. HAF participants will receive funds under the HAF only after Treasury approves a HAF plan. Treasury will provide eligible entities with a template for the HAF plan, which is expected to include the following elements.

By June 30, 2021, eligible entities must submit to Treasury a completed HAF plan or a date by which a HAF plan will be submitted. Treasury will promptly begin reviewing HAF plans that are submitted before June 30, 2021.

See also Treasury Notes at end of doc concerning how the plan will be evaluated and assessed.

Overview

As it became clear that the American Rescue Plan was going to include a program to provide assistance to homeowners, OHFA began working on parallel efforts: one which would allow us to quickly start delivering assistance to Ohio's homeowners to address the most critical and time-sensitive needs, and one to develop a more robust suite of programs to address a wider range of more complex challenges.

To meet the first challenge – deliver assistance quickly to those facing imminent risk of foreclosure or loss of utilities – OHFA looked to programs that we could stand up quickly and administer efficiently. Under the Hardest Hit Fund, OHFA successfully developed and administered Reinstatement and Monthly Payment Assistance programs to quickly help homeowners who were facing financial hardship due to the subprime mortgage crisis get back on their feet. With a decade's worth of experience administering these programs that address the most pressing needs of Ohio's homeowners today, they were a natural place to start during the pilot phase. OHFA repurposed technology, policies, and procedures developed to streamline HHF in 2016; few changes were needed to accommodate the new HAF mortgage assistance programs. OHFA also leveraged the existing capacity of community action agencies around the state by creating a new program to assist with utilities and other housing related costs, and sub-awarding HAF funds to them to administer on our behalf.

The second challenge involves addressing the more complex challenges of long-term impacts of the pandemic on the economy. OHFA has worked with stakeholders and analyzed existing data to glean insight about what programs might be most impactful. Unfortunately, much of the data predates the start of the pandemic and is of limited utility for these purposes. Therefore, OHFA and the CAAs will operate the three programs we know have high demand during a pilot phase that runs from July 1st, 2021 to September 30th, 2021, and we will use this as an opportunity to gather a wide range of current data. This will play a significant role in helping us determine how likely programs like principal reduction, loan modification, and home repair and maintenance might be in Phase II.

Homeowner Needs and Engagement

Data-Driven Assessment of Homeowner Needs

Per Treasury Guidance: HAF participants must provide information and data that they use to design their programs in a way that effectively targets eligible homeowners. HAF participants must include data about financial hardships of target homeowners and socially disadvantaged individuals, including data on mortgage delinquencies, defaults, foreclosures, post-foreclosure evictions, and the loss of utilities or home energy services, including trends over time disaggregated by demographic categories and geographic areas.

OHFA is employing a range of data resources to ensure we are targeting HAF funds towards homeowners who are facing financial hardships and who are socially disadvantaged individuals. Using publicly-available Comprehensive Housing Affordability Strategy (CHAS) data, OHFA identified areas where eligible homeowners – those households earning 100% of the Area Median Income (AMI) – were concentrated. Similarly, we used a mix of American Community Survey (ACS) 5-year estimates and CHAS data to identify areas where socially disadvantaged individuals live and own homes in Ohio. These two metrics broadly help us identify eligibility for the program.

We disaggregated these statistics by demographics and geography to determine eligibility. Specifically, at the county level, we disaggregate data on owner-occupied households and AMI for specific racial categories. We are also able to use tract-level analyses, in which each tract has been labelled "urban", "suburban", or "rural", a typology provided by the Kirwan Institute for the Study of Race and Ethnicity at the Ohio State University. Kirwan calculated this typology based on differences in housing types and development patterns.

To determine where the greatest need exists in Ohio, OHFA used a combination of ACS data, statewide monthly unemployment data provided by the Ohio Department of Jobs and Family Services, statewide mortgage delinquency and forbearance provided by the Atlanta Federal Reserve Bank, and information on cost burdened owner-occupied homes (households spending more than 30 percent of their income on housing) from CHAS 2012-2016. We handled the data in the following way to design an index of county-based need:

- Loans experiencing some form of struggle were identified using the county-level data from the Atlanta Federal Reserve Bank, which covers months 1 and 4-12 of 2020. We used the count of those loans experiencing delinquency or forbearance and determined the state share of total troubled loans. Then we calculated the state share of total loans held by each county. We created a ratio of the state share of troubled loans to the state share of total loans.
- The unemployment rate for each county was collected for March 2021 from the U.S. Bureau of Labor Statistics' Local Area Unemployment Estimates program.
- The share of owner-occupied households experiencing severe housing cost burden was determined using CHAS 2012-2016 data. The state share of households paying more than 50 percent of their income on housing was calculated for each county.

- These metrics were combined with the metric identifying the state share of owner-occupied households owned by individuals defined as SDI according to the HAF guidelines.
- We normalized these distributions with a Z-score calculation, using the formula (x-mean(x))/sd(x). The Z-scores were combined to create a need-based index, which provides insight into how each county ordinally ranks in terms of estimated need.

Evidence of Public Participation and Community Engagement:

Per Treasury Guidance: HAF plans must describe the extent to which their information on homeowner needs reflects their engagement with organizations and individuals representing eligible homeowners, and how the HAF participant allowed for public participation in the development of the HAF plan, including any public hearings.

Ohio's HAF plan was developed after extensive consultation with affordable housing advocates and stakeholders. Shortly after receiving initial guidance from the U.S. Department of the Treasury Department, OHFA began holding informal discussions with interested parties about the top-level goals and principles OHFA should consider in developing an effective suite of programs to help homeowners who have experienced financial hardship during the coronavirus pandemic.

Early in the plan development process, OHFA convened a virtual meeting of about thirty advocates and stakeholders from around the state, including representatives from Legal Aid organizations, community development corporations, homeless advocacy organizations, mortgage lenders and servicers, and federal government agencies (see *Exhibit A: Stakeholder Meeting Attendees*). This forum gave OHFA the opportunity to benefit from the advice of those representing a wide range of perspectives and experiences. There were several themes that had strong support from most, if not all, of the participants. Among these are streamlining distribution and eligibility requirements; focusing on internal operations and efficiencies; ensuring data integrity; creating durable, productive support networks; and leveraging relationships with leaders who are trusted in the communities that are being targeted. Attendees strongly encouraged OHFA to focus efforts first on programs designed to help homeowners retain their homes; programs like home repair and maintenance, while important and helpful, were deemed less critical, and there was general agreement that these types of programs should only be developed after the crisis of impending foreclosures was addressed.

OHFA was also able to draw on lessons learned from administering the Hardest Hit Fund (HHF) over the last decade. Of particular note, OHFA staff met with Stephanie Casey Pierce, who was instrumental in the development and administration of the HHF and who is now at Ohio State University working on an evaluation of the HHF foreclosure prevention program. Having spent a decade designing, administering, and studying Ohio's HHF program, she is an invaluable source of insight into aspects of the program that have proven to be effective as well as those that she would do differently if she had it to do over again.

On {INSERT DATE HERE}, OHFA published a draft of this plan, invited written public input via a dedicated email address, and announced a public meeting, which was held virtually on {INSERT DATE HERE}. {HOLD FOR DESCRIPTION OF PUBLIC COMMENTS}.

Program Design

Program Descriptions

Per Treasury Guidance: HAF participants must describe each program for which they will use HAF funding. The description must describe the targeted population of homeowners and the financial challenges the program would address based on the data-driven assessment of homeowner needs (e.g., the immediate challenge of mortgage delinquency, or displacement prevention). Each program description must include a description of eligibility requirements; the intended impact on eligible homeowners; the application process; conditions or limitations, including the maximum dollar amount that the program will provide to each homeowner for each type of qualified expense; a description of the payment process; and other available sources of assistance for targeted homeowners. Treasury strongly encourages HAF participants to have one or more programs intended to reduce mortgage delinquency among targeted populations. Treasury encourages HAF participants to consider program designs that leverage utility assistance from other federal programs that have been created expressly for that purpose before using HAF funds for utility assistance.

As one of eighteen states, along with the District of Columbia, to receive funds from the HHF, Ohio has more than a decade of experience designing, implementing, and administering programs to help homeowners who are facing very similar challenges as those the Homeowner Assistance Fund (HAF) is designed to assist. Therefore, Ohio will incorporate features of the most needed and successfully-executed HHF programs while developing, adjusting, and reconfiguring programs or program elements to address those unique challenges that have arisen during the coronavirus pandemic.

In order to quickly address the most pressing needs, Ohio has created three programs during the pilot phase to prevent imminent foreclosures and displacement. The second phase of Ohio's HAF programs will address the more long-term needs of homeowners experiencing financial hardships related to the coronavirus pandemic starting on January 21, 2020.

Utility Assistance Plus (UAP)

OHFA has entered into subaward agreements with Community Action Agencies (CAAs) to administer the UAP. In Ohio, CAAs are locally-controlled, private-nonprofit organizations whose purpose is to reduce poverty and to help low-income people become self-sufficient. CAAs serve all 88 counties and provide a broad range of programs and services based on a formal assessment of needs in their service territories. They administer numerous energy assistance and emergency housing programs, such as the Emergency Rental Assistance program which includes a utilities payment program for renters, and CAA staff have the knowledge and expertise needed to help eligible homeowners navigate the application requirements for these programs and maximize the effectiveness of the UAP funds.

To begin the program, Ohio HAF will advance a portion of funds for eligible expenses to the CAAs who will then draw down the balance of their allocation.

Pilot Phase

The Pilot is anticipated to continue until September 30, 2021, until the OHFA HAF Plan is approved and additional funds are received from the U.S. Department of the Treasury, or until the initial 10 percent allocation is expended.

OHFA developed a formula for the allocation of these funds to each county during the pilot phase. The formula considered each county's share of troubled loans, unemployment, owner-occupied households experiencing severe cost burden (spending more than 50% of income on housing), and households owned and occupied by persons of color. To ensure that each county received sufficient funding to make administration of the program worthwhile, the formula included a minimum allocation of $50,000.

Targeted population of homeowners

Ohio homeowners with a household income that is less than or equal to the following income limits:[i]

Persons in Family							
1	2	3	4	5	6	7	8
$103,350	$118,200	$132,900	$147,600	$159,450	$171,300	$183,150	$194,850

During this information-gathering phase, OHFA is not conducting targeted outreach beyond that which is done to raise general awareness of OHFA and CAA programs. This will allow OHFA to establish a baseline against which future outreach efforts will be measured. Based on the results of the pilot phase, OHFA intends to focus outreach efforts in those areas where there are high concentrations of income-eligible and socially disadvantaged individuals but low application and approval rates.

Financial challenges program addresses

UAP will help homeowners who are experiencing financial hardship and who have been and/or are unable to pay utility bills, internet service bills, homeowner-related insurance bills, other homeowner-related fees or liens, or property tax bills.

Description of eligibility requirements

To be eligible for UAP during the pilot phase, the following criteria must be met:

- The current gross income of the applicant's household must be less than or equal to the targeted population income limits
- The applicant must own the eligible property for which the assistance is sought
- The applicant must have suffered a financial hardship which must have occurred after January 21, 2020
- The property must be a one- to four-unit, owner-occupied, primary residence located in Ohio
- The payment for the eligible expense must have first become due between January 21, 2020 and September 30, 2021

For a dwelling unit to be eligible for energy assistance benefits, its primary heat source must be: a) a regulated or unregulated utility (gas and electric); b) a permanent, free-standing fuel tank (oil and propane); c) a legal fireplace (wood); or d) a legally-vented wood/coal stove. The following utilities are eligible for payment through the UAP program:

- Natural gas
- Electricity, including from renewable sources
- Bulk fuel, including propane, fuel oil, coal and wood, for a maximum 10-day supply or up to 25% of a fuel tank
- Water
- Sewer

- Trash Removal, including separate recycling fees, if required
- Broadband internet service
- Disconnection and reconnection fees

The following non-escrowed homeowner fees and expenses are also eligible for payment through UAP:

- Property taxes
- Homeowner's insurance
- Flood insurance
- Mortgage insurance
- Homeowner's association fees or lien
- Condominium association fee
- Common charges
- Non-sufficient Fund Fees

Intended impact on eligible homeowners

UAP will prevent eligible homeowners from having their homes foreclosed upon when that foreclosure would be due to failure to pay property taxes or homeowner-related fees. This program will also prevent eligible homeowners from losing utility or home energy services. Because homeowners will not be required to repay this assistance, they will be in a significantly better financial position as they seek to recover from the financial hardship caused by the coronavirus pandemic.

Application process

Individuals will apply for UAP assistance through their local CAA. The CAA will conduct intake and review the applications. Using their best judgment and experience, the CAAs will determine the appropriate mix of assistance within the parameters of the program. CAAs are encouraged to prioritize the payment of costs in full that could result in a foreclosure.

Conditions or limitations

None.

Maximum dollar amount to each homeowner for each type of qualified expense

Eligible homeowners may receive up to $8,500 in combined UAP assistance during the pilot phase.

Description of the payment process

Upon approval of eligible expenses, the CAA will disburse payments directly to the utility companies, taxing authorities, or entities that assessed homeowner fees.

Other available sources of assistance for targeted homeowners

There is the potential that some targeted homeowners would also qualify for assistance that CAAs in Ohio administer: the CRFESP, which can assist homeowners with water and sewer costs when those homeowners are at or below 200% of federal poverty guidelines, are homeless or at risk of becoming homeless, and have experienced a hardship related to COVID-19; and the CDGB-CV, which can assist homeowners with up to three months of water, sewer, and energy costs when those homeowners are at or below 80% AMI and have experienced a hardship related to COVID-19.

Phase II

OHFA anticipates continuing UAP during the second phase. OHFA will evaluate the effectiveness of UAP during the pilot phase and make any adjustments needed to ensure that the program is properly designed and administered.

Targeted population of homeowners

The universe of homeowners to be targeted will likely be unchanged from the pilot phase. However, based on information gathered during that phase, OHFA intends to deploy resources to and concentrate outreach efforts on underserved areas of income-eligible, socially disadvantaged individuals. Throughout this phase, OHFA will continuously monitor the impact of our outreach and the effectiveness of our targeting so that we can make any refinements necessary to maximize equitable outcomes.

Financial challenges program addresses

UAP will help continue to help homeowners who are experiencing financial hardship and who have been and/or are unable to pay utility bills, internet service bills, homeowner-related insurance bills, other homeowner-related fees or liens, or property tax bills.

Description of eligibility requirements

Unless the data from the pilot phase reveals significant deficiencies in the eligibility requirements, OHFA anticipates that they will continue unchanged.

Intended impact on eligible homeowners

UAP will continue to prevent eligible homeowners from having their homes foreclosed upon when that foreclosure would be due to failure to pay property taxes or homeowner-related fees. This program will also continue to prevent eligible homeowners from losing utility or home energy services. Because there will continue to be no requirement that homeowners repay this assistance, they will be in a significantly better financial position as they seek to recover from the financial hardship caused by the coronavirus pandemic.

Application process

Unless the data from the pilot phase reveals significant deficiencies in the application process, OHFA anticipates that they will continue unchanged.

Conditions or limitations

None anticipated.

Maximum dollar amount to each homeowner for each type of qualified expense

The maximum amount each homeowner may receive during the second phase will be determined after analysis of the pilot phase.

Description of the payment process

The payment process will remain the same as during the pilot phase with the CAA disbursing approved payments directly to the utility companies, taxing authorities, or entities that assessed homeowner fees.

Other available sources of assistance for targeted homeowners

Unknown. The CRFESP and CDBG-CV programs end on December 31, 2021. If Ohio is allowed to begin Phase II prior to that end date, those programs will still be available until then for a portion of

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homeowners who are also eligible for UAP. If Ohio's approval comes after that end date, there are no other available sources of assistance of which we are aware.

Rescue Payment Assistance (RPA) and Mortgage Payment Assistance (MPA)

Ohio developed and administered two highly-successful, and closely-related, HHF programs: RPA and MPA. OHFA has developed very similar programs under HAF to address very similar challenges.

Through the RPA program, OHFA assists eligible homeowners by making a payment on their behalf directly to the mortgage servicer for the costs, including principal, interest, fees, delinquent taxes, or escrow shortages, that are required to bring the homeowners current on their delinquent mortgages.

The MPA program, on the other hand, assists eligible homeowners who are current on their mortgages but who are unable to continue making payments (often these are homeowners who were brought current by RPA assistance). Through this program, OHFA makes payments directly to the servicer on the homeowner's behalf for current mortgage payments.

Pilot Phase

Targeted population of homeowners

Ohio homeowners with a household income that is less than or equal to the following income limits:[ii]

Persons in Family							
1	2	3	4	5	6	7	8
$103,350	$118,200	$132,900	$147,600	$159,450	$171,300	$183,150	$194,850

During this information-gathering phase, OHFA is not conducting targeted outreach beyond that which is done to raise general awareness of OHFA programs. Based on the results of the pilot phase, OHFA intends to focus outreach efforts in those areas where there are high concentrations of income-eligible and socially disadvantaged individuals but low application and approval rates.

Financial challenges program addresses

RPA and MPA will help homeowners who are experiencing financial hardship and who have been and/or are unable to pay their mortgage.

Description of eligibility requirements

To be eligible for MPA or RPA during the pilot phase, the following criteria must be met:

- The current gross income of the applicant's household must be less than or equal to the targeted population income limits
- The applicant must own the eligible property for which the assistance is sought
- The applicant must have suffered a financial hardship which must have occurred after January 21, 2020
- The property must be a one- to four-unit, owner-occupied, primary residence located in Ohio
- For RPA, the mortgage must be delinquent, but must not have begun being delinquent before January 21, 2020
- For MPA, the mortgage must be current, and the homeowner must be unable to make the current payment

Intended impact on eligible homeowners

RPA and MPA will prevent eligible homeowners from having their homes foreclosed upon when that foreclosure would be due to failure to pay their mortgages. Because homeowners will not be required to repay this assistance, they will be in a significantly better financial position as they seek to recover from the financial hardship caused by the coronavirus pandemic.

Application process

RPA and MPA applicants will apply online or via their mobile telephone. Applicants will also be able to contact OHFA staff for assistance with the application process. All applicants will first complete a series of prequalification screens that will determine their eligibility to apply for assistance. Homeowners that prequalify will be able to complete an application for assistance and upload any required documentation online or using their mobile phone.

Conditions or limitations

Otherwise eligible homeowners who are in bankruptcy proceedings may not receive RPA or MPA assistance.

Maximum dollar amount to each homeowner for each type of qualified expense

Eligible homeowners may receive up to $35,000 in combined RPA and MPA assistance during the pilot phase.

Description of the payment process

Upon approval of RPA, OHFA will make a single payment to the servicer on the homeowner's behalf of all costs needed to bring the mortgage current. Upon approval of MPA, OHFA will schedule up to three months, subject to the assistance cap, of mortgage payments. These scheduled payments will go out at the end of each month.

Other available sources of assistance for targeted homeowners

There is the potential that some targeted homeowners would also qualify for assistance that CAAs in Ohio administer: the CRFESP, which can assist homeowners with mortgage payments when those homeowners are at or below 200% of federal poverty guidelines, are homeless or at risk of becoming homeless, and have experienced a hardship related to COVID-19; and the CDGB-CV, which can assist homeowners with up to three months of mortgage payments when those homeowners are at or below 80% AMI and have experienced a hardship related to COVID-19.

Phase II

Targeted population of homeowners

The universe of homeowners to be targeted will likely be unchanged from the pilot phase. However, based on information gathered during that phase, OHFA intends to deploy resources to and concentrate outreach efforts on underserved areas of income-eligible, socially disadvantaged individuals. Throughout this phase, OHFA will continuously monitor the impact of our outreach and the effectiveness of our targeting so that we can make any refinements necessary to maximize equitable outcomes.

Financial challenges program addresses

RPA and MPA will continue to help homeowners who are experiencing financial hardship and who have been and/or are unable to pay their mortgage.

Description of eligibility requirements

Unless the data from the pilot phase reveals significant deficiencies in the eligibility requirements, OHFA anticipates that they will continue unchanged.

Intended impact on eligible homeowners

RPA and MPA will continue to prevent eligible homeowners from having their homes foreclosed upon when that foreclosure would be due to failure to pay their mortgages. Because homeowners will not be required to repay this assistance, they will be in a significantly better financial position as they seek to recover from the financial hardship caused by the coronavirus pandemic.

Application process

Unless the data from the pilot phase reveals significant deficiencies in the application process, OHFA anticipates that they will continue unchanged.

Conditions or limitations

Otherwise eligible homeowners who are in bankruptcy proceedings may not receive RPA or MPA assistance.

Maximum dollar amount to each homeowner for each type of qualified expense

Based on analysis of the data in the pilot phase, OHFA will determine the appropriate time period for recertifying income and will make any necessary adjustments to length of time and the cumulative amount of RPA and MPA assistance the Ohio HAF program will pay on the homeowners' behalf.

Description of the payment process

The payment process will remain the same as during the pilot phase with OHFA disbursing approved payments directly to the mortgage servicers.

Other available sources of assistance for targeted homeowners

Unknown. The CRFESP and CDBG-CV programs end on December 31, 2021. If Ohio is allowed to begin Phase II prior to that end date, those programs will still be available until then for a portion of homeowners who are also eligible for RPA and MPA. If Ohio's approval comes after that end date, there are no other available sources of assistance of which we are aware.

Additional Programs

OHFA believes there are two main types of distressed homeowners in the target population: 1) those for whom the financial hardship is temporary and therefore need short-term assistance to get through the temporary effects of the downturn in the economy, and 2) those for whom the financial hardship is going to be much-longer lasting and for whom a short-term fix is insufficient to keep them in their homes long-term. Because both categories of homeowner will likely be delinquent and need a few months of ongoing mortgage payment support, and because of OHFA's expertise in delivering RPA and MPA programs, we began those in the pilot phase. Because we don't have current data or existing infrastructure to quickly deliver other potentially helpful programs, OHFA is using the pilot phase to gather current data that will inform those decisions.

Based on preliminary conversations with housing stakeholders, OHFA is considering additional programs with which we have had some experience during the early phases of HFF, such as recast, loan modification, and lien extinguishment. With recast not permissible on FHA, VA and USDA loans that comprise a large portion of our target population, it is not yet clear whether a recast program would benefit enough Ohio homeowners to justify diverting funds and staff from other programs that we know have high demand. Should the data indicate that a recast would help a significant portion of the target population, OHFA will submit an amendment to this plan seeking Treasury approval. Modification is another option under consideration and OHFA will be analyzing data as it becomes available even as we are exploring the extent to which servicers would be willing to participate and what they would require. Lien extinguishment on partial claim second mortgages creates home equity but does not relieve cost burden; it is unclear whether this would take priority at this point over programs that address more immediate needs.

OHFA is also considering options such as refinance closing costs assistance and rate buy-downs, but there is general agreement that these need further consideration.

Methods for Targeting HAF Funding

Per Treasury Guidance: The HAF plan must describe how the HAF participant will effectively target HAF resources to (1) homeowners having incomes equal to or less than 100 percent of the area median income or equal to or less than 100 percent of the median income for the United States, whichever is greater; and (2) socially disadvantaged individuals. The HAF participant must describe its targeting strategies according to disaggregated characteristics of the targeted population such as income ranges, racial and ethnic demographics, and/or geographic areas (including rural communities), as appropriate for the relevant jurisdiction. Targeting methods may include marketing, community engagement strategies, partnerships with housing counseling agencies or legal aid organizations, or other educational services that are aligned with the HAF participant's program design, in a manner that is culturally and linguistically relevant to the targeted communities.

Treasury encourages HAF participants to prioritize assistance to homeowners who have Federal Housing Administration (FHA), Department of Veterans Affairs (VA), or U.S. Department of Agriculture (USDA) mortgages and homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers.

Ohio will undertake a two-tiered approach to target funds to homeowners living in counties with a high share of mortgage delinquencies and high unemployment rates: purchased/earned media and direct community outreach.

Data and research will provide critical direction to the program's marketing and communication plan. The number of delinquent loans will guide the communications team's efforts to reach into targeted communities. Although every Ohio region will receive advertising about the program, areas with the highest need will receive a higher concentration, thereby increasing the likelihood that the program's message will reach its target audiences and that those targeted audiences will apply for and receive assistance.

Ohio's marketing and advertising plan to target this cross section of homeowners includes traditional far-reaching media outreach, niche publications/broadcast advertising, and the use of data-driven advertising methods.

OHFA will employ traditional media outreach through earned media: press releases, media interviews, and news media stories. OHFA will launch the statewide campaign at a press event, offering local and statewide media a central location to ask questions, receive materials, and interact with the appropriate staff to get accurate information about the program. Media will help disseminate the program details across the state.

Additionally, OHFA will use outdoor and transit advertisements to highlight the program's availability to a wide swath of Ohioans, focusing attention on the Ohio HAF 1-800-number and website, and encouraging those at-risk to call and visit the website. In addition, OHFA will use census tract data to focus some outdoor and transit advertisements on areas of greatest need. Outdoor ads and billboards can be particularly beneficial in some rural communities that don't have consistent access to the internet. Trusted sources of information in SDI communities include niche print publications and/or broadcast outlets, in which OHFA will place ads and, when possible, editorial content.

Share and like buttons, along with other social media tools, propel today's word of mouth. OHFA intends to use digital media to its advantage by advertising via Google and Facebook. OHFA will do this independently and as part of larger media campaigns with vendors across the state, including print, radio, and television outlets. These vendors also offer opportunities to participate in interviews with local talent, furthering the goal of making as many Ohioans as possible aware that help is available.

Data-driven tools like geo-targeting and geo-fencing send ads/information to persons who are within a certain radius or at certain locations. Ohio will request to target specific demographics using these options. Staff will use these tools in concert with data and the aforementioned census tracts.

Other tools available for promoting the program include: streaming radio, targeted email blasts to Ohioans that meet the criteria set forth in the guidelines, and targeted display ads. OHFA also regularly create contents, including a podcast and blog. Both tools will be used to showcase the program and discuss its benefits. Our website will include a special section outlining program eligibility requirements and how Ohio homeowners can apply for assistance. OHFA's website routinely sees more than 20,000 users each month, with more than 80,000 page views. We anticipate that number increasing significantly when the program officially launches.

OHFA will place a heavy emphasis on leveraging the expertise, relationships, and credibility of community-based organizations. OHFA anticipates engaging with these organizations to go door-to-door in neighborhoods with high concentrations of eligible homeowners who are at-risk of foreclosure, which will include saturating neighborhoods and communities that have significant populations of socially disadvantaged individuals. As we receive data about the homeowners who are applying for and receiving assistance, OHFA is prepared to adapt and redirect resources to areas that continue to be underserved. These community-based organizations can also help facilitate community meetings at which OHFA or other trusted partners present information about the HAF programs.

OHFA is working with the Governor's Office of Faith-Based and Community Initiatives (GOFBCI) to engage the faith leaders around the state. OHFA will attend and present at one of the GOFBCI's "Ask the Experts" events to present information about the HAF plan and seek to enlist their support in disseminating information about it to their congregations.

Organizations and state government agencies that routinely communicate with Ohioans who may be income-eligible homeowners are important partners who also help inform those who might benefit from Ohio's HAF programs. OHFA plans to develop informational inserts for inclusion in mail that these organizations send to their clients and customers. OHFA will likewise develop information that can be included in email communications.

Best Practices and Coordination with Other HAF participants

Per Treasury Guidance: The HAF participant must describe the extent to which its program descriptions or models are based on best practices and/or the participant's effective implementation of a previous program, including those funded with the initial payment under HAF. The HAF participant should present any evidence that it coordinated with other HAF participants, or plans for such coordination, including with respect to engagement with mortgage servicers that operate in multiple states or with recipients of other large federal grants or financial assistance funds. Further, HAF participants should describe any relevant coordination with federal agencies including FHA, VA, and USDA, as well as with state or local agencies that hold mortgage portfolios that have covenants or targeting requirements that match the HAF participants' HAF targeting strategies and goals.

OHFA was one of the eighteen states, plus the District of Columbia, that received and allocated HHF dollars. Being involved with HHF, OHFA has developed a series of best practices that are applicable to similar programs which aim to reduce homeowner financial distress. These are outlined below:

- **Involve all necessary servicers, providers, and partners in the design of the program.** In HHF, banks, servicers, law firms were not included as part of the national program start up. Ohio faced challenges engaging organizations, clarifying rules, and on-boarding them. To ameliorate this, OHFA is aiming to establish relationships with necessary partners (implementation agencies, policy makers, counseling agencies) early in the process to encourage buy-in and streamline the process. Through OHFA's outreach and engagement process, we have already consulted with local partners, including housing counseling agencies, Legal Aid organizations, community action agencies, and community development corporations.

- **It is critical to define the need and the expected outcomes early on.** To ensure OHFA is aware of the true need throughout the state, OHFA is engaging in active outreach to local partners that are already active in the homeownership space. We are focusing on establishing long-term partnerships that can help build a more efficient and streamlined process. While we should assume there will be a slow start up for each partner, we expect to see improvement over time.

- **Use clear, consistent data collection practices.** It is critical to make sure all agencies and organizations collecting data are entering it accurately and consistently. To that end, OHFA is developing a codebook and working to build a consistent framework through which partners can automatically add and update data. OHFA is using software that gives applicants access to easy reporting and filing systems, including allowing applicants and partner organizations to upload reports on their phone and upload pictures of docs.

- **For large programs, it is imperative to assume there will be a beta phase and provide flexibility in the first months.** As part of HHF and other large programs, it usually takes at least one to two years to identify challenges and implement improvements. To that end, Ohio is implementing a robust evaluation process that measures penetration of the market, pull-through rates, administrative overhead, etc. to gauge performance. This early focus on guidelines will provide the ability to readjust criteria to most effectively implement the program equitably.

- **Targeting is key.** Under HHF, Save the Dream Ohio was not as localized as it could have been at the start, failing to address the differences between rural and urban in program design and delivery. As a result, there was a lack of clarity around how programs should be funded. To address this in HAF, OHFA is using a data-driven strategy that relies on geographic differences and demographic cross-sections.
- **It is imperative to find a balance between access and compliance.** In HHF, there were strict requirements for applicants, in an attempt to eliminate any potential fraud, which had the unintended side-effect of reducing pull-through rates for vulnerable populations, including older adults, individuals living in rural and Appalachian counties, and socially disadvantaged populations. To ensure we are meeting this balance, OHFA will seek opportunities to reduce barriers that do not result in significant additional risk of fraud. For example, OHFA is working to partner with other state agencies, when possible, to validate income-qualification and employment status through existing documentation so that the applicant is not required to provide redundant or additional documentation.

Performance Goals

Per Treasury Guidance: Each HAF participant must establish goals and benchmarks, by program and by targeted population, for assistance using HAF funds. The performance goals must identify how they address homeowner needs identified by the HAF participant in its plan. Performance goals must be disaggregated by key characteristics such as mortgage type, racial and ethnic demographics, and/or geographic areas (including rural communities), as appropriate for the jurisdiction. Each HAF participant must include a goal focused on reducing mortgage delinquency among targeted populations.

OHFA will monitor ongoing performance along multiple axes, to ensure that the program is operating efficiently and equitably.

Applicant Outcomes

OHFA will focus on the impacts of assistance on both person and place. Given the goals of the program, we aim to stabilize the household, and when possible, to stabilize both the household and the region to ensure a more prosperous and equitable Ohio. We will measure this in the following ways:

- **Applicant delinquency.** OHFA will evaluate the impacts on the applicant for specific homeowner or utility assistance. This will include how funding impacted the delinquency for the applicant and will be disaggregated by gender, race, age, ethnicity, and geography.
- **Homeowner performance.** OHFA will track the specific parcel over time to track foreclosures, sheriff's sales, and property transitions. Collecting parcel numbers – based on geo-locating addresses for applicants – will provide us with the ability to track the property prior to application and post-application. We will be able to compare delinquency, foreclosure, and short-sales over time. This historical view allows us to determine if it was a troubled property prior to the COVID-19 crisis, and how each property fared after assistance.

  These measures will be completed on a monthly basis using data on housing-transfers and property-level details. The homeowner stability will be measured over the lifetime of five years from both January 2020 and the first month of funding received. This will be disaggregated by race and ethnicity, gender, age, and geography.

- **Applicant employment.** OHFA is working with Ohio Jobs and Family Services and the Ohio Longitudinal Data Archive to track employment, income, and credit outcomes for the applicants to the HAF. We will focus on short and long-term employment and income outcomes for those who receive funding. We will disaggregate this data by race and ethnicity, age, gender, and geography.
- **Equity in targeting.** Target populations and regions are identified based on a combination of economic instability in the wake of the COVID-19 crisis, and demonstrated patterns of delinquency and forbearance. To determine the effectiveness of our targeting strategy, we will dis-aggregate application data by multiple factors including race, ethnicity, age, geography, etc. We will compare our targeting data, which highlights areas of expected highest need, to actual applications. If applications appear to be missing areas that are identified as highest need, OHFA will re-orient and change its outreach strategy to effectively target those who are most in need. This analysis will essentially gauge the penetration rate for HAF funding in areas that were determined high need as part of our housing needs assessment.
- **Equity in funding.** To gauge how equitable the pull-through rate is from application to funding, OHFA will measure on a monthly basis the relationship between applications and funded households. These measures will be disaggregated by race, ethnicity, age, and geography to determine that there is an equitable pull-through rate for applicants. One of our key lessons learned from HHF was that older applicants, non-white applicants, and vulnerable populations were less likely to be funded. In order to monitor the equitable nature of funding decisions, we will compare the pull-through rates for each of these categories.

Regional Outcomes

Collecting data in a place-based manner will also allow us to better understand the regional impacts of intervention. OHFA will focus on delinquency and foreclosure filings in neighborhoods where applicants are concentrated by using a one-mile buffer from properties that apply for assistance. This will help better contextualize outcomes for regions of Ohio beyond the individual applicant. We will disaggregate these metrics based on geography, race and ethnicity, and vulnerability to determine if specific neighborhoods and regions are being impacted to a greater or lesser degree than similar areas. Neighborhoods will be disaggregated by race and ethnicity and geography.

Readiness

Staffing and Systems

Per Treasury Guidance: The HAF participant must describe the staffing and systems in place or planned to ensure effective program delivery, compliance, and reporting, in a manner consistent with applicable program requirements and guidance using the programs described in the plan.

Overview of Readiness

OHFA, having administered HHF programs for a decade and developed strong partnerships throughout the state of Ohio, is well-positioned to administer HAF programs, including delivery, compliance, and reporting. By taking advantage of existing infrastructure, both internally at OHFA (e.g., existing office space, phone systems, software, policies, and procedures) and in partnership with external organizations (e.g., community action agencies, other community-based non-profits), we have moved quickly to stand up HAF programs during the pilot phase and are prepared to develop additional programs during the second phase as are revealed as necessary by the data gathered during the pilot phase.

Program Delivery

Utility Assistance Plus (UAP)

The UAP program will be delivered by Community Action Agencies (CAAs) who will provide staff and customer management systems. These agencies have been administering the CARES Act rental assistance program and are well-positioned to administer UAP. Each month, CAAs will upload program data to OHFA through secure accounting software that OHFA IT created based on the Allita Blight reimbursement system. OHFA will track program funds expended each month and reallocate funds if agencies are unable to spend their allocations.

Rescue Payment Assistance (RPA) and Mortgage Payment Assistance (MPA)

OHFA anticipates a program very similar to HHF, using a direct-to-homeowner online application with secure document uploads. OHFA owns the HHF Allita software and IT staff made a copy and edited to accommodate HAF; OHFA will contract the hosting on a secure server. Disclosures have been combined and digital signatures incorporated to make the application easier and remove the barrier of printing documents.

Four staff who worked on the HHF Reinstatement and Mortgage Payment Assistance programs remain at OHFA: the Assistant Manager of Housing Preservation, an Analyst, and two Administrative Professionals. This staff has experience reviewing files, answering phone and email inquiries, sending and receiving CDF records, scheduling funding and returns, and compiling reports.

One internal employee transferred to the HAF program and, as of June 28, 2021, OHFA has hired eight new employees. The internal transfer employee comes from OHFA's Program Compliance department and is well-versed in reviewing files for program requirements. The eight new hires have significant housing and/or customer service experience, making them easy to train and empathetic to applicants. All employees will be cross-trained in processing, compliance review, records, and funding to provide maximum coverage in case of scheduled and unscheduled absences. All employees will also receive training on data privacy and security, plus conflict of interest.

Compliance

OHFA has contracted with Crowe to review program development, establish appropriate compliance benchmarks, and assist with setting up procedures. Crowe will perform quarterly testing to determine need for adjustments based on risk. OHFA's current HHF Compliance Officer will likely oversee the HAF compliance process. OHFA has a Governance Committee for all exceptions pertaining to HHF; this committee will be expanded for HAF and consist of the Compliance Officer and representatives from HAF management, Internal Audit, Policy, and Senior Staff.

Utility Assistance Plus (UAP)

OHFA will follow the uniform guidance for subawardee monitoring of CAAs. In the past, OHFA has conducted both desktop and onsite reviews of subawardees.

Rescue Payment Assistance (RPA) and Mortgage Payment Assistance (MPA)

Existing OHFA staff are familiar with HHF compliance requirements and will get up to speed very quickly on the small differences in HAF compliance. The OHFA Director of Internal Audit and a committee have consulted on adjustments needed for HAF compliance and Crowe will conduct a review as well. The internal transfer employee came from our Program Compliance department and will quickly get up to speed.

HAF will likely use a process similar to HHF compliance. For HHF, OHFA conducted internal compliance reviews on 5% of files determined eligible, withdrawn, declined, and funded; this daily review allowed OHFA to adjust and retrain for errors and weak processes. In addition to the daily eligibility and funding reviews, OHFA recertified income on 5% of funded files each quarter.

Compliance processes were manual, using spreadsheets with random formulas to arrive at the sample population and record compliance scores plus printed recertification letters and emails with a link to report income. With HAF, OHFA will build this capability into the Allita software to automate the compliance process; 5% of files will go into a compliance queue for review and homeowners will have the ability to log back into Allita and certify their income, report changes, and upload documentation.

Reporting

The data collected monthly from Community Action Agencies will be combined with the reports from the HAF Allita system to roll up all numbers for the quarterly reporting to Treasury. Community Action Agencies will upload data that they are required to report using a secure OHFA website.

The Manager and Assistant Manager of Housing Preservation, HAF Compliance Officer, Finance Director, and a Research Analyst from the Housing Policy department will be trained on the required reporting and the process of submitting to Treasury.

Existing and Pilot Programs

Per Treasury Guidance: The HAF participant must describe in detail how it used its initial 10% payment, if applicable (as described above under "Initial Payments").

INITIAL PAYMENTS

Treasury will make initial payments from the HAF available to eligible entities that are approved to participate in the HAF, in an amount equal to 10% of the total amount allocated to the eligible entity. In order to receive this initial payment, the eligible entity must (1) enter into the financial assistance agreement with Treasury described above, and (2) commit to use the funds only for qualified expenses other than clause (9) of the "Qualified Expenses" section above. Treasury will make payments to the eligible entity or agency of the eligible entity identified on the eligible entity's notice of funds request. No more than 50% of the initial payment may be used for planning, community engagement, needs assessment, and administrative expenses described in clause (10) of the "Qualified Expenses" section above. An eligible entity that elects not to receive this initial payment may receive its allocated funds after Treasury approves its HAF plan, as described below.

Treasury encourages HAF participants to use these initial payments to create or fund pilot programs to serve targeted populations, and to focus on programs that are most likely to deliver resources most quickly to targeted populations, such as mortgage reinstatement programs.

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OHFA entered into a financial assistance agreement with the U.S. Department of the Treasury and received $28,077,107, or 10% of Ohio's total allocation. As part of our commitment to using the funds only for qualified expenses and to do so within the parameters included in the "Homeowner Assistance Fund Guidance" provided by Treasury, OHFA has committed at least $19 million of the initial award, or 67.67% of the initial allocation, to program costs. OHFA has already allocated $9 million of this to CAAs for UAP which assists homeowners with utilities, home energy services, delinquent property taxes, and homeowner-related fees (qualified expenses found in clauses (5)(a)-(d), and (6) of the Treasury Guidance). Additionally, OHFA has allocated $10 million for the RPA and MPA programs (eligible expenses found in clauses (1) and (2) of the Treasury Guidance) OHFA is administering and which are very similar to the program that OHFA administered under HHF.

OHFA has reserved slightly more than $9 million for eligible costs in clause (10) of the Treasury guidance. This includes 10% of the total amount awarded to CAAS for UAP in the pilot phase ($1 million), which is provided to them for their administrative costs. Approximately $1 million will go to salaries and benefits of HAF program staff, as well as funds for the supplies, computers, and miscellaneous expenses that are associated with these employees. Creation of the UAP program and reconfiguration of the RPA and MPA programs requires changes to information technology and financial systems. OHFA has engaged Crowe LLP to provide consulting services to conduct program risk analysis, document internal controls, and conduct periodic monitoring to test the effectiveness of the internal controls. And, as described above, OHFA is preparing an intensive outreach and engagement effort that will be largely directed by data gathered during the pilot phase; these costs are attributable to this category.

Should the demand for the UAP, RPA, and/or MPA programs exceed the $19 million OHFA has already committed to those efforts, we are prepared to reprogram additional money from the administrative budget to the programs where it is most needed.

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Budget

Per Treasury Guidance: The HAF participant must provide a budget, by program, using a template that Treasury will provide.

Note: as of 06.03.21 Treasury has not provided the Template.

Exhibit A: Stakeholder Meeting Attendees

- Lou Caresani – US Bank
- Ryan Miller – Ohio Capital Corporation for Housing
- Stephanie Moulton – Ohio State University
- Hal Keller – Ohio Capital Corporation for Housing
- Edward Stockhausen – Cleveland Neighborhood Progress
- Monica Womack – Columbus Urban League
- Christie Hooks – USDA Rural Development
- Josh Summer – Ohio Association of Community Action Agencies
- William Farnsel – NeighborWorks Toledo
- Kevin Nowak – CHN Housing Partners
- Valerie Daley – LISC
- Nate Coffman – Ohio CDC Association

- Carlie Boos – Affordable Housing Alliance of Central Ohio
- Kate Carden – CHN Housing Partners
- Elmer Helbig – US Bank
- Allison Goebel – Greater Ohio Policy Center
- Graham Bowman – Ohio Poverty Law Center
- Kim Cutcher – LISC
- Bill Faith – Coalition on Homelessness and Housing in Ohio
- Phillip Studmire – Cleveland Neighborhood Progress
- Thomas Leach – US Department of Housing and Urban Development
- Netta Whitman – Homeport
- Stephanie Moes – Legal Aid Society of Greater Cincinnati

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HAF PLAN ASSESSMENTS AND APPROVALS

Treasury will assess HAF plans based on the following factors:

- ***Alignment of Community Needs and Program Design**: The extent to which programs are responsive to community needs and based on a best practice model or evidence of the HAF participant's effective implementation of a previous program or pilot program.*
- ***Alignment of Performance Goals with Data on Targeted Populations**: The extent to which the performance goals would address the needs of specific eligible populations within targeted communities, in a manner that is appropriate to the jurisdiction.*
- ***Methods of Targeting**: The extent to which the HAF participant describes targeting methods reasonably likely to result in HAF assistance being made available to eligible homeowners consistent with the targeting requirements described in the ARP and in applicable guidance issued by Treasury. Recognizing that homeowners earning up to 100% of the area median income are overrepresented in portfolios of government-backed and guaranteed mortgages compared to the market as a whole, Treasury will favorably consider the prioritization of assistance to homeowners who have FHA, VA, or USDA mortgages, and to homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers, when assessing a HAF participant's proposed methods of targeting HAF funds.*
- ***Readiness**: The extent to which the HAF participant demonstrates readiness to implement a program at scale, including having in place policies and procedures for the program and an appropriate mix of staffing, contractors, and partners. Implementation of a pilot program or pre-existing program that successfully targeted resources to the targeted populations will be a strong indication of readiness.*
- ***Alignment of Budget with Performance Goals**: The extent to which the funding budgeted by program reasonably supports the achievement of the performance goals.*

Treasury may approve a HAF plan in whole or in part. If Treasury approves a HAF plan only in part, the HAF participant will be provided an opportunity to address the weaknesses identified by Treasury. Treasury may also return a HAF plan to the HAF participant with recommendations for improvement and resubmission to Treasury for reconsideration. In addition, to enable HAF participants to rapidly receive approval for certain HAF-funded programs that can be developed quickly, a HAF participant may elect to submit multiple HAF plans over time regarding different programs it proposes to implement. After Treasury approves a HAF plan in whole or in part, Treasury will inform the HAF participant of the schedule for disbursements to the participant for purposes of the approved portions of the plan.

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[i] Ohio is using 150% of the median income for Union County, Ohio, which had the highest median income in the state as the limit for all of Ohio homeowners.

[ii] Ohio is using 150% of the median income for Union County, Ohio, which had the highest median income in the state as the limit for all of Ohio homeowners.

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