

United States Department of the Treasury

Homeowner Assistance Fund Plan Submitted by State of North Carolina

HAF Grantee Plan Name
HAFP-0043

United States Department of the Treasury

Homeowner Assistance Fund Plan For Participants with Allocations \$5 million or Greater

Allocation Amount	\$5 Million or Greater
Submission Date	11/24/2021 2:23 PM
Total Plan Requested Amount	\$273,337,247.00
Record Type	State
Application Record	SLT-0039
HAF Grantee Plan Status (external)	Funded

Homeowner Needs and Community Engagement

What Quantitative Data Has Informed the Participant's Planning?

Treasury will assess the extent to which a Participant has, in the course of its HAF planning process, relied on quantitative data, including from community-based organizations or organizations that serve potentially eligible homeowners.

In its HAF planning process, has the Participant obtained quantitative data from mortgage servicers, private data providers, government entities, community-based organizations, or other sources to inform its planning about how to target and best serve eligible homeowners with mortgage delinquencies, defaults, foreclosures?

Yes

If yes, please list and, briefly describe each source of quantitative data.

- **Data provided by Treasury – Treasury provided data, contributed by a number of federal agencies, including information on mortgage delinquencies and forbearances, breakdowns by demographic factors, and concentration among mortgage servicers.**
- **Data provided from mortgage servicers – received data from a few of the servicers listed in the Treasury data as being NC's top servicers for FHA, VA and USDA loans in forbearance. These data can be received on a regular basis, though the data thus far has been provided for diagnostic purposes only at this point.**
- **BlackKnight: Atlanta Fed calculations using Black Knight's McDash Flash daily mortgage performance data (available with a two-day lag), U.S. Census Bureau 2017 FIPS Codes. These data include non-forborne delinquencies and loans in forbearance by county.**
- **Corelogic: The Agency utilized CoreLogic's Market Trends monthly data. Market Trends data include 90+ day delinquent loans. The CoreLogic Market Trends Report provides approximately a 75% to 90% loan coverage, varying by market.**
- **Data from American Community Survey on homeownership – used 2019 American Community Survey 5-year estimates to identify share of nonwhite homeowners in all 100 North Carolina counties.**
- **Data from Urban Institute on credit health – used credit bureau data compiled and analyzed by Urban Institute to understand the impact of the pandemic on household's credit health. Specifically, we examined share of resident with debt in collections for the latest month available (October 2020). Available from:**
<https://datacatalog.urban.org/dataset/credit-health-during-covid-19-pandemic>
- **Neighborhood Watch: April – June 2021 data from HUD's Neighborhood Watch program was used to indicate delinquency and foreclosure rates for FHA loans.**
- **ServiSolutions: The Agency utilized ServiSolutions data of NCHFA homeownership loans from May and June 2021 to assess prevalence of loan delinquency and/or forbearance as well as the volume of delinquent payments.**

In its HAF planning process, has the Participant obtained and reviewed quantitative data or studies regarding which demographic segments in its jurisdiction have historically experienced discrimination in the housing or housing finance market?

Yes

If yes, please list and, briefly describe each source of quantitative data.

Data from utility providers: The NC Utilities Commission collected monthly data starting in August 2020 on residential customer arrearages, disconnections, reconnections and payment plans from 40 utilities (electric, natural gas, water, and wastewater) state-wide.

In its HAF planning process, has the Participant obtained quantitative data from utility providers or entities charged with assessing and collecting property taxes or relied on quantitative data or studies to inform its planning about how to target and best serve eligible homeowners at risk of displacement due to utility arrearage or tax foreclosure?

Yes

If yes, please list and, briefly describe each source of quantitative data.

- **Centers for Disease Control and Prevention/ Agency for Toxic Substances and Disease Registry/ Geospatial Research, Analysis, and Services Program. (2018) CDC/ATSDR Social Vulnerability Index: The index ranks counties and census tracts on 15 social factors that impact a community's ability to prevent human suffering or financial loss in a disaster.**
- **Consumer Finance Protection Bureau. (Mar 2021). Housing Insecurity and the COVID-19 pandemic.: This report summarizes relevant research on the impact of the pandemic on the housing market, particularly its impact on low-income and minority households.**
- **Fair Housing Project (2020). The State of Fair Housing in North Carolina: The report found the majority of fair housing complaints occurred in five counties and were typically based on race and disability.**
- **Gascon, Charles S. and Ricketts, Lowell and Schlagenhaut, Don, The Homeownership Experience of Minorities During the Great Recession (2017). Review, Vol. 99, Issue 1, pp. 139-167, 2017: This study explores the experiences of homeowners during the Great Recession, finding that Black and Hispanic homeowners experienced substantial payment difficulties resulting in a higher share of foreclosures.**
- **Gilbert, P. (2013). The State of Exclusion: An Empirical Analysis of the Legacy of Segregated Communities in North Carolina. UNC Center for Civil Rights.: This report measures and maps impacts of community segregation and exclusion in five areas, including housing.**
- **North Carolina Department of Commerce. (2021). Analysis of Impediments to Fair Housing Choice.: This report review identifies barriers to housing choice and evaluates the impact on availability and accessibility of affordable housing.**
- **Quillian, L., Lee, J.J. & Honoré, B. Racial Discrimination in the U.S. Housing and Mortgage Lending Markets: A Quantitative Review of Trends, 1976–2016. Race Soc Probl 12, 13–28 (2020): This study examines trends in racial discrimination over the past 30 to 40 years and finds discrimination persists in the mortg. market.**

In the following text box, please list any source not listed above of quantitative information, including sources of data on the performance of any of the Participant's previously implemented programs, that the Participant used to inform its HAF planning process, briefly describe how the data informed the Participant's planning.

- **Hardest Hit Fund: The Agency utilized staffing, systems, and organizational expertise gained through administering the Hardest Hit Fund (HHF) Programs in North Carolina to inform outreach, marketing and program design for Homeowner Assistance Funds. The Agency reviewed HHF data as a factor when establishing HAF program structure and benefits.**
- **McCargo, A and Hyun Choi, J. (Nov 2021). Closing the Gaps: Building Black Wealth through Homeownership. Urban Institute.**

<https://www.urban.org/sites/default/files/publication/103267/closing-the-gaps.pdf>: This report reviews the critical role housing equity plays in building wealth for Black families, reviews the historical factors that have contributed to disparate outcomes, and explores ways to improve wealth equity through homeownership.

Did the Participant communicate with mortgage servicers regarding the development of its program design?

Yes

Did the Participant communicate with other HAF participants regarding the development of its program design?

Yes

How Has Community Engagement and Public Participation Informed the Participant's Planning?

Treasury will assess the extent to which a Participant's assessment of homeowner needs has been informed by and reflects input from organizations and individuals representing eligible homeowners, including any opportunities for public participation in the development of the Participant's plan. Treasury will pay particular attention to the extent of the Participant's engagement with populations that are the subject of statutory targeting requirements.

Has the Participant requested and received input on its HAF planning process from providers of housing counseling services or providers of legal assistance to homeowners facing foreclosure or displacement?

Yes

Provider information

If yes, please list such providers, including the providers' address and website. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Provider Name Provider Address Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impact of Housing Discrimination
BHO, Inc. 3470 Old Ocean Highway ,Bolivia,North Carolina 28422 http://facebook.com/BHO2020	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Centre for Homeownership & Economic Development 960 Corporate Drive, Suite 405 ,Hillsborough,North Carolina 27278 http://homeownershipcentre.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Charlotte Center for Legal Advocacy 1431 Elizabeth Avenue ,Charlotte,North Carolina 28204 http://charlottelegaladvocacy.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DHIC 450 E. Davie Street ,Raleigh,North Carolina 27601 http://dhic.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cleveland County Community Development Corporation 823 West Warren Street ,Shelby,North Carolina 28150 http://clevelandcountycdc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jordan Price Law Offices 1951 Clark Avenue ,Raleigh,North Carolina 27605 http://jordanprice.com	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal Aid of North Carolina P.O. Box 26087 ,Raleigh,North Carolina 27611 http://legalaidnc.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
EmPOWERment Inc. 109 N. Graham St., Suite 200 ,Chapel Hill,North Carolina 27516 http://empowermentinc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Family Service of the Piedmont 902 Bonner Drive ,Jamestown,North Carolina 27282 http://fspcares.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Financial Protection Law Center 272 N Front St # 342 ,Wilmington,North Carolina 28401 http://N/A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Kingdom Community Development Corporation 129 N. Main Street ,Spring Lake,North Carolina 28390 http://kingdomcdc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Land Loss Prevention Project PO Box 179 ,Durham NC,North Carolina 27702 http://landloss.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
North Carolina Housing Coalition PO Box 569 ,Durham,North Carolina 27702 http://nchousing.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lexington Housing Community Development Corporation 21 W. 2nd Street ,Lexington,North Carolina 27292 http://lhcdc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Monroe Union County CDC PO Box 887 ,Monroe,North Carolina 28111 http://muccdc.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

NC League of Municipalities 434 Fayetteville St. ,Raleigh,North Carolina 27601 http://nclm.org	<input type="checkbox"/>	<input checked="" type="checkbox"/>
North Carolina Association of Community Development Corporations (NCACDC) 110 Fountain Park Drive ,Battleboro,North Carolina 27809 http://ncacdc.org	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Smoky Mountain Housing Partnership 2177 Asheville Rd. ,Waynesville,North Carolina 28786 http://smokymountainhousing.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
North Carolina Justice Center 224 S. Dawson St. ,Raleigh,North Carolina 27601 http://ncjustice.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Olive Hill Community Economic Development Corporation PO Box 4008 ,Morganton,North Carolina 28680 http://ohcedc.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pisgah Legal Services Pisgah Legal Services PO Box 2276,Asheville,North Carolina 28802 http://pisgahlegal.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prosperity Unlimited, Inc 1660 Garnet St. ,Kannapolis NC,North Carolina 28083 http://prosperitycdc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
S J Adams Consulting 4128 Cobblestone Place ,Durham,North Carolina 27707 http://sjadamsconsulting.net	<input type="checkbox"/>	<input checked="" type="checkbox"/>
White Oak Foundation, Inc. 1624 White Oak Church Rd. ,Apex,North Carolina 27523 http://wofnc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wilson Community Improvement Association, Inc. 504 East Green St. ,Wilson,North Carolina 27893 http://wciainc.org	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Has the Participant requested and received input regarding its HAF planning process from community-based organizations or organizations that serve potentially eligible homeowners?

Yes

Community Information

If yes, please list such organizations, including the providers' address and website if available. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Organization Name Organization Address Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impact of Housing Discrimination
Caldwell County Habitat for Humanity PO Box 1341, Lenoir, North Carolina 28645 http://caldwellhabitat.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Durham Congregations, Associations and Neighborhoods (CAN) 732 Ninth Street, #604,, Durham, North Carolina 27705 http://durhamcan.org	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Carolinas Credit Union League 323 W. Jones St., Suite 200, Raleigh, North Carolina 27603 http://carolinasleague.org	<input type="checkbox"/>	<input type="checkbox"/>
Habitat for Humanity of the Charlotte Region 3815 Latrobe Drive, Charlotte, North Carolina 28211 http://habitatcltregion.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Habitat for Humanity of Orange County, NC 88 Vilcom Center Drive, Suite L110, Chapel Hill, North Carolina 27514 http://orangehabitat.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Habitat for Humanity of Randolph County 3060 U.S. 220 Business Asheboro, NC 27205, Asheboro, North Carolina 27205 http://habitatrc.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Habitat for Humanity of Wake County 2420 North Raleigh Boulevard, Raleigh, North Carolina 27604 http://habitatwake.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HomeTrust Bank PO Box 10, Asheville, North Carolina 28802 http://htb.com	<input type="checkbox"/>	<input type="checkbox"/>
Merrick-Moore Community Development Group 2322 Cheek Road, Durham, North Carolina 27704 http://N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NC Realtors 4511 Weybridge Lane,, Greensboro, North Carolina 27407 http://ncrealtors.org	<input type="checkbox"/>	<input type="checkbox"/>
NC Association of County Directors of Social Services 3509 Haworth Drive Suite 402, Raleigh, North Carolina 27609 http://ncacdss.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>

North Carolina Community Action Association 4428 Louisburg Rd., Suite 101, Raleigh, North Carolina 27616 http://nccaa.net	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PNC Bank 301 Fayetteville St., Raleigh, North Carolina 27601 http://pnc.com	<input type="checkbox"/>	<input type="checkbox"/>
The Rural Center 4021 Carya Drive, Raleigh, NC 27610, Raleigh, North Carolina 27610 http://ncruralcenter.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Partners for Impact N/A, N/A, North Carolina 99999 http://partnersforimpact.com	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DreamKey Partners 4601 Charlotte Park Drive, Suite 350, Charlotte, North Carolina 28217 http://www.dreamkeypartners.org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NC Department of the Health and Human Services – LIHEAP 2001 Mail Service Center, Raleigh, North Carolina 27699 http://ncdhhs.gov/divisions/social-services/low...	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Has the Participant consulted with localities or tribal governments (cities, counties, or rural communities) in its jurisdiction regarding the needs of eligible homeowners in its jurisdiction?

Yes

Has the Participant provided an opportunity for public input regarding its HAF Plan through public hearings or published materials?

Yes

If yes, please indicate whether a proposed or draft plan was published, please describe where details about the comment solicitation were posted, for how long, in what languages, and whether any efforts were made to make the posting accessible to persons with disabilities or individuals without reliable internet access.

The Agency engaged stakeholders, potential vendors and HFAs to gain insight on homeowner need, assistance to best address the need, and program design for effective implementation. The Agency sought feedback through a public comment period, with the plan available June 16-23, 2021 on nchfa.com. Comments were accepted until the Plan’s submission to Treasury.

The NCHFA website has accessibility features for people with disabilities, like the use of a high-contrast color palette and links to assist those with visual impairments and the use of alt text and other accessibility features for those using screen readers. The website is optimized for use with all screen sizes; is compatible with mobile, tablet and computers; and is accessible via all major web browsers.

The Plan was sent via email to the Agency’s listservs and partner coalitions. The lists included additional stakeholders like those representing individuals from socially disadvantaged groups, rural coalitions, real estate groups, financial institutions, and professional organizations. Groups

were included that may provide feedback relevant to populations who may not have internet access. The Plan was sent to nearly 3,200 email recipients. Follow up emails were sent throughout the duration of the public comment period. The initial email reached nearly 3,000 recipients, and over 2,100 of those emails were opened. The Agency's HAF webpage received over 1,300 visitors during the comment period. Members of the public could also call the Agency and speak to a staff member regarding their comments or questions. Available Agency staff spoke both English and Spanish, and additional translation services were available but have not yet been needed. The Agency received 46 public comments, now published on the website.

The Agency's website offers an online sign-up for interested homeowners to be notified when the program starts. At that time, the Agency will send email notification to these potentially eligible homeowners.

* See feedback responses

How Will the Participant Continue to Assess the Needs of Eligible Homeowners?

Treasury anticipates that an ongoing process of assessing the needs of eligible homeowners will help address the needs of potentially eligible homeowners as economic conditions change over time.

Does the Participant plan to update its assessment of community needs within the next year to determine whether its HAF program design should be updated to address changing needs of potentially eligible homeowners?

Yes

What additional data would be helpful to the Participant as it seeks to assess homeowner needs over time?

- **Data on manufactured housing loans**
- **Monthly data from servicers on loan delinquency, ideally at the loan level, but at a minimum the census tract level.**
- **Additional information on LEP by income and tenure**
- ***See feedback responses for more information**

Program Design

What are the Program Design Elements Through Which the Participant Will Deliver HAF Assistance to Eligible Homeowners?

A program design element is a specific activity or program, which is consistent with a qualified expense category, under which a Participant will disburse HAF funds in accordance with the HAF Plan. Please note that multiple program design elements may fit under a single qualified expense category; for example, a mortgage assistance program that has different terms for federally backed mortgages and manufactured-home mortgages may constitute two separate program design elements, for which case the Participant provides a separate term sheet or other description for each program design element.

HAF participants must have at least one program design element intended to reduce mortgage delinquency among targeted populations. Treasury encourages HAF participants to consider program design elements that address homeownership preservation for targeted populations in areas where there is a sustained trend of increasing property taxes or utility costs, including for households that do not have mortgages.

Please identify each qualified expense category in which the Participant will offer a program design element by checking the boxes below.

- mortgage payment assistance
- mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity
- payment assistance for homeowner's utilities, including electric, gas, home energy, and water
- payment assistance for homeowner's insurance, flood insurance, and mortgage insurance
- payment assistance for delinquent property taxes to prevent homeowner tax foreclosures
- payment assistance for down payment assistance loans provided by nonprofit or government entities
- financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default
- facilitating mortgage interest rate reductions
- payment assistance for homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b)
- payment assistance for homeowner's association fees or liens, condominium association fees, or common charges
- measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties

For each program design element that the Participant will offer, the Participant is required to upload a term sheet or other description, that, at a minimum, provides the following information regarding that program design element. Term sheets for all of Participant’s HAF programs may be uploaded together as one document.

Title	Upload Date
Response to Treasury Feedback on NC HAF State Plan	11/24/2021 11:26 AM
NCHAF Term Sheet Final Revised 11.19.2021	11/23/2021 10:36 AM

A HAF participant may elect to revise its HAF Plan over time to add or subtract program design elements. Does the Participant anticipate adding additional program design elements to this HAF Plan within one year of this submission?

Yes

Treasury has provided sample term sheets to assist HAF participants in developing their HAF plans. Participants may use these sample term sheets, in whole or in part, as part of their submission. To the extent the Participant intends to structure the program differently with respect to significant program terms described in the Sample Term Sheets, Treasury will, in the course of its review of the HAF Plan, request a justification for how the alternate approach will further the objectives of the HAF, including targeting and prioritization requirements. In the chart below, the HAF Participant may provide a justification for significant deviations from the terms described in the sample term sheets upon initial submittal. (optional for initial submission)

Program Design Element	Deviation from sample terms	Justification
Brief Description	Removal of: HAF funds will be used only to supplement other loss mitigation options offered by the servicer under investor requirement or where, without HAF funds, the homeowner would not qualify for that loss-mitigation option.	Based on NCHFA’s experience with the Second Mortgage Refinance Program offered under the Hardest Hit Fund (HHF), requiring homeowners to exhaust all available loss mitigation options as a requirement for eligibility tends to create detrimental hurdles for homeowners seeking immediate relief, particularly those facing foreclosure. Homeowners experiencing financial hardships that threaten the stability of their primary housing, can easily fall victim to mortgage resolution fatigue as additional obstacles to mortgage relief are presented. These homeowners may be at greater risk of ceasing to seek out mortgage resolution options, leaving them at a greater risk for displacement.

Homeowner eligibility criteria and documentation requirements	Addition of: Statement attesting to experiencing a financial hardship after January 21, 2020 associated with the coronavirus pandemic.	Self-attestations will be used to verify homeowners have met the Treasury requirement of having experienced a financial hardship after January 21, 2020 that was associated with the coronavirus pandemic. Attestations will identify the specific nature of the hardship, whether it relates to a loss of income or an increase in expenses. Reliance on self-attestations minimizes potential complexity associated with underwriting for eligibility.
Homeowner eligibility criteria and documentation requirements	Addition of: Documentation verifying the property is the homeowner's primary residence.	Documentation will be required to verify the property is the homeowner's primary residence. Specific program requirement will allow for maximum flexibility regarding the types of documentation a homeowner may provide to verify primary residence.
Form of Assistance	Addition of: subject to recapture in the event of a false claim of fraudulent misstatements on the application.	NCHAF program design will incorporate a compliance program with quality control reviews that include identification of red flags that may indicate instances of fraud. Instances of suspected homeowner fraud will be investigated and confirmed homeowner fraud associated with any NCHAF grant will be subject to the recapture of funds.
Eligibility criteria specific to the program	Addition of: Delinquent by at least one payment to any qualified expense eligible for reinstatement with HAF funds.	NCHAF allows flexibility to provide funds to reinstate not only delinquent mortgage accounts, but also any stand alone housing related qualified expense. Homeowners who owe delinquent amounts to housing related qualified expenses, however, are current on mortgage obligations, are eligible to receive NCHAF funds.
Brief Description	Addition of: NCHAF funds may be used for future payments to any qualified expense for homeowners experiencing a continuing or new financial hardship associated with the coronavirus pandemic. NCHAF funds in an aggregate amount not to exceed three (3) months of payments to each eligible qualified expense may be provided no more frequently than every three (3) months after initial NCHAF funds are provided. NCHAF funds for future payments may be available to eligible as defined by program guidelines and subject to availability of funds.	NCHAF program design will allow for the flexibility to provide continued forward mortgage payments and/or payments for other housing related costs every three (3) months for homeowners who are unable to resume making full monthly payments due to a continuing financial hardship or who have experienced a new financial hardship associated with the coronavirus pandemic after initial NCHAF funds were provided. Forward payments may be disbursed no more frequently than every three (3) months provided the homeowner submits a request for continued payment assistance through the online application portal and attests to a continuing or new financial hardship. Future NCHAF payments will be subject to funding availability.

Brief Description	Addition of: Additional NCHAF funds in an aggregate amount not to exceed three (3) months of future payments may be provided in conjunction with NCHAF funds used to reinstate any qualified expense.	NCHAF program design will allow for the flexibility to provide three (3) months of forward payments to any qualified expense in conjunction with full reinstatement funds for delinquent homeowners. Providing three (3) months of forward payments, in addition to the reinstatement, provides homeowners who have been suffering from a period of financial hardship a valuable transition period, allowing time to prepare for resuming regular monthly mortgage payments and/or housing related costs. This transition period will serve to increase the success rate of the homeowner's ability for continued, long term retention of the property. Funds are disbursed in one lump sum.
Homeowner eligibility criteria and documentation requirements	Addition of: Household meets income requirements as defined by program guidelines.	Homeowners are eligible to receive NCHAF funds only if they have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater, consistent with Treasury guidance.
Homeowner eligibility criteria and documentation requirements	Addition of: (A) A written attestation as to household income and (B) If applicable, documentation of household income or proof of receipt of certain federal means-tested programs	All homeowners will be required to provide an attestation as to household income. Homeowners who reside in a census tract with one or more of the federal distress and/or low-income designations defined in program guidelines, are presumed to meet the income eligibility requirements, and are not required to provide additional supporting income documentation. Homeowners who do not reside in one of the identified census tracts, must provide documentation such as paystubs, W-2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements, an attestation from an employer, to determine the household income and to ensure homeowners meet the income requirements of having incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. Alternatively, homeowners may provide proof of receipt of certain federal means-tested programs defined in program guidelines, and will not be required to provide additional source of income documentation.
Payment requirements	Addition of: Payments may be made directly to the lender or servicer, tax authority, insurance provider, homeowners or condominium association, or other third party as appropriate.	Payments to qualified expenses will be made directly to these entities and no funds shall be disbursed directly to the homeowner.

<p>Homeowner eligibility criteria and documentation requirements</p>	<p>Removal of: Statement of current ability to resume any required regular payments after account is reinstated (OR) Ability to resume any required regular payments with assistance from Grantee Mortgage Payment Assistance Program.</p>	<p>NCHAF program design allows for the flexibility for assistance to be provided to homeowners on a continued, future basis after initial reinstatement is provided. Homeowners who are experiencing continued financial hardship or who encounter a new hardship after initial funds are provided, have the option to request future payments no more frequently than every three (3) months without the need to restart the application process. Eligible homeowners can request consideration for future payments by accessing their previously submitted application in the online portal, making the overall application experience less burdensome on the homeowner and provides greater accessibility to the program.</p>
<p>Brief Description</p>	<p>Addition of: (A) Reinstatement a first and/or subordinate mortgage(s), and/or provide payment assistance to homeowners unable to make full mortgage payments due to a continuing or new financial hardship associated with the coronavirus pandemic. AND (B) Provide funds to pay other delinquent amounts, including costs associated with a period of delinquency or default, extinguishment of a partial claim, homeowner's insurance, flood insurance, homeowner's association fees or liens, condominium association fees and/or common charges, and costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development.</p>	<p>NCHAF program design will allow for the flexibility to provide funds not only to reinstate mortgages secured by the primary residence, but also to pay other associated or stand-alone qualified housing related expenses. NCHAF program design also provides a mechanism for homeowners who may not have yet reached full homeownership stabilization, an option to request additional payment assistance on a rolling basis should their circumstances cease to improve or should they be faced with a new coronavirus related hardship after initially being assisted.</p>
<p>Brief Description</p>	<p>Removal of Reduce past due payments</p>	<p>Eligible homeowners must be fully reinstated with NCHAF funds. Partial reinstatements are less likely to achieve the goal of positioning eligible homeowners in sustainable financial standing related to housing affordability. However, if NCHAF funds are insufficient to fully reinstate the homeowner, NCHAF funds may be provided to supplement a loss mitigation option offered by the servicer(s) or if the servicer(s) agrees to waive any amounts required in excess of the maximum amount of the NCHAF grant, resulting in full reinstatement of the homeowner's mortgage(s) and other past due housing related costs.</p>

Homeowner eligibility criteria and documentation requirements	Addition of: Hardship affidavit describing the nature of the financial hardship if delinquency to any qualified expense began prior to January 2020.	NCHAF program design will allow for delinquent amounts that incurred prior to January 2020 to be reinstated with NCHAF funds. Homeowners with such delinquent amounts that are in need of reinstatement, will provide a hardship affidavit that describes the nature of the hardship. Eligible homeowners must have experienced a coronavirus pandemic related financial hardship on or after January 21, 2020 in addition to the previous hardship.
Form of Assistance	Removal of: Assistance will be structures as an interest free loan payable upon transfer of the property and forgivable over a period of time.	NCHAF assistance will be provided to homeowners in the form of a non-recourse grant.

Documentation of Homeowner Income

Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF only if they have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. In addition, not less than 60% of amounts made available to each HAF participant must be used for qualified expenses that assist homeowners having incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater. The HAF guidance describes permissible ways for HAF participants to determine homeowner income.

Under the HAF guidance, one permissible approach for determining income is for (1) the household to provide a written attestation as to household income and (2) the HAF participant to use a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household’s geographic area. Will the Participant allow income to be determined in this way?

Yes

If yes, please describe the fact-specific proxy or proxies to be used for the income determination.

If the homeowner is not able to produce the needed documentation, the following alternate, fact-specific proxy can be used for verifying income. If the homeowner lives in a census tract with one or more of the following federal distress and/or low-income designations, the homeowner is presumed to meet the income eligibility requirements:

- a. FHFA Duty to Serve designations of Areas of Concentrated Poverty**
- b. HUD designations of Racial and/or Ethnic Areas of Concentrated Poverty**
- c. FFIEC designations of distressed, underserved, poverty, remote rural and/or unemployment)**
- d. HUD designations of Qualified Census Tracts for use in the Low-Income Housing Tax Credit program**

In addition, the program may consider using proof of qualification for certain federal and/or state-level means tested benefit programs as a basis for income qualification in the event the above-described fact specific proxy is indeterminant or otherwise fails.

Under the HAF guidance, HAF participants may provide waivers or exceptions to this documentation requirement as reasonably necessary to accommodate extenuating circumstances, such as disabilities,

practical challenges related to the pandemic, or a lack of technological access by homeowners; in these cases,

the HAF participant is still responsible for making the required determination regarding household income and documenting that determination. Will the Participant allow applicants to request such waivers or exceptions?

Yes

Eligible Mortgage Types

Please indicate which of the following mortgage types are eligible to be assisted under one or more of the Participant's program design elements.

- First Mortgages
- Reverse Mortgages (Home Equity Conversion Mortgages, Single-Purposes Reverse Mortgages, or Proprietary Reverse Mortgages)
- Contracts for Deed or Land Contract (if it is a credit transaction secured by a consensual security interest in a dwelling)
- Second Mortgages
- Loans Secured by Manufactured Housing (secured by real estate or dwelling)

If the Participant excludes any of the forgoing mortgage types from one or more program design elements, explain the exclusion.

N/A

How Will the Participant Target HAF Resources Consistent with Statutory Requirements?

The Participant must describe how it will target HAF resources in accordance with the HAF guidance. Targeting strategies are affirmative efforts to inform, encourage the participation of, and facilitate access to resources for targeted households, including by offering multiple intake formats, engaging with nonprofit organizations (e.g., housing counselors or legal services organizations) to provide additional pathways into the program, and providing community outreach, 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.

Defining Socially Disadvantaged Individual

Please describe the process the Participant will use to determine whether a homeowner is a "socially disadvantaged individual" as defined in the HAF guidance.

The Agency's approach is to provide access to HAF assistance statewide but enhanced and deeper targeting in counties and areas most likely to be home to socially disadvantaged individuals.

If a homeowner meets any of the four indicators included in the August 2, 2021 HAF guidance definition of Socially Disadvantaged Individuals, then the homeowner will be categorized as such (with the excluded category being a resident of a territory, Indian reservation or Hawaiian Home Land). The process can be through self-attestation of a membership in a group subjected to

racial, ethnic or cultural bias or someone with Limited English Proficiency. For the geographic measures of majority-minority census tracts or persistent poverty counties, a geocoding of the homeowner's residence will provide confirmation of residence within these geographic boundaries.

Public Communications

Will the Participant engage in a public communications campaign to raise awareness among targeted populations about the availability of HAF resources, in media such as television, newspapers, online media, or social media?

Yes

If yes, please indicate whether the public communications campaign will include communications that primarily target the following populations:

- Homeowners earning less than 100% of area median income
- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- resident of a majority-minority Census tract; (3)
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land
- homeowners in persistent poverty counties;
- individual with limited English proficiency

Please indicate in which languages, in addition to English, public communications to targeted populations will be undertaken:

Spanish

Outreach

Will the Participant engage in outreach through partnerships with organizations that focus primarily on serving homeowners earning incomes below 100% of area median income or socially disadvantaged individuals and that have the capacity to engage targeted communities in a culturally and linguistically relevant manner to encourage the submission of applications for HAF resources from targeted populations?

Yes

If yes, please indicate whether the community outreach efforts will include partnerships with organizations that primarily target the following populations:

- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- resident of a majority-minority Census tract; (3) individual with limited English proficiency;
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land;

- homeowners that reside in persistent poverty counties;
- individual with limited English proficiency.

Housing Counseling and Legal Services

Will the Participant facilitate access for eligible households to housing counseling or legal services?

No

Targeting specific groups of homeowners

Will the Participant conduct outreach specifically tailored to target potentially eligible households that:

- have mortgages or mortgage assistance contracts held or backed by the Participant?
- have mortgages backed by any of the following agencies: Federal Housing Administration; Department of Veterans Affairs; U.S. Department of Agriculture?
- have privately held mortgages?

What Efforts will be Made to Address Barriers to HAF Program Participation for Potentially Eligible Homeowners, Including Those with Limited English Proficiency or Who are Disabled?

Targeted outreach may be needed to reach homeowners who are likely to experience barriers to access, including persons with limited English proficiency and those with disabilities.

Indicate all of the languages, in addition to English, in which the Participant's HAF application and other program documents will be made available.

Spanish

Will the Participant's HAF applications and other program documents be provided in forms that are accessible to persons with disabilities?

Yes

Performance Goals

Treasury will consider the goals and benchmarks the Participant proposes to use to measure the effectiveness of its programs, including whether those goals address the homeowner needs identified by the Participant, the extent to which the goals are disaggregated by key homeowner characteristics as appropriate for the jurisdiction, and whether they include a goal focused on reducing mortgage delinquency.

Please describe Participant's goals and benchmarks for each of its programs with the following program design elements.

Program Design Element	Metric of Success	Goal
Mortgage Payment Assistance	<p>Number of home losses avoided due to HAF funds.</p> <p>Number of Socially Disadvantaged households served.</p>	<p>1) Prevent 8,000 home losses in 24 months</p> <p>2) Prevent 4,800 home losses among the targeted population homeowners (income and/or social disadvantage)</p> <p>3) Share of households served is at least proportional to the state's population of homeowners who are socially disadvantaged</p>
Mortgage Reinstatement	<p>Number of home losses avoided due to HAF funds.</p> <p>Number of Socially Disadvantaged households served.</p>	<p>1) Prevent 15,000 home losses in 24 months</p> <p>2) Prevent 9,000 home losses among the targeted population homeowners (income and/or social disadvantage)</p> <p>3) Share of households served is at least proportional to the state's population of homeowners who are socially disadvantaged</p>
Payment Assistance for Homeowner's Insurance	<p>Number of home losses avoided due to HAF funds.</p> <p>Number of Socially Disadvantaged households served.</p>	<p>1) Prevent 2,100 home losses in 24 months</p> <p>2) Share of households served is at least proportional to the state's population of homeowners who are socially disadvantaged</p>
Payment Assistance for HOA fees or liens	<p>Number of home losses avoided due to HAF funds.</p> <p>Number of Socially Disadvantaged households served.</p>	<p>1) Prevent 1,500 home losses in 24 months</p> <p>2) Share of households served is at least proportional to the state's population of homeowners who are socially disadvantaged</p>
Payment Assistance for Delinquent Property Taxes	<p>Number of home losses avoided due to HAF funds.</p> <p>Number of Socially Disadvantaged households served.</p>	<p>1) Prevent 3,500 home losses in 24 months</p> <p>2) Share of households served is at least proportional to the state's population of homeowners who are socially disadvantaged</p>

Readiness

Staffing, Systems and Contractors

Treasury seeks information regarding the Participant's organizational capacity to implement its HAF Plan.

Does the Participant anticipate needing to hire additional staff to implement this HAF Plan?

Yes

Does the Participant anticipate significant information technology system upgrades to implement this HAF Plan?

No

Does the Participant have policies or procedures that govern the implementation of each HAF program design element described in this HAF Plan?

No

If no, is a policy and procedure in development for each HAF program design element described in this HAF Plan?

Yes

Will the Participant use HAF funds to assist eligible households through a program that was operational before the Participant first received HAF funds?

No

Will the Participant use any third-party contractor or partner to conduct program administration (such as reviewing applications, determining eligibility, processing payments, conducting reporting, and reviewing compliance) for some or all of the Participant's HAF programs?

Yes

If yes, has the Participant entered into all necessary arrangements with all of the third-party contractors or partners that will conduct program administration?

No

Use of Initial Payment

If the Participant has already received any HAF funds from Treasury, provide the following information about the use of such funds as of June 30, 2021.

What amount of the HAF funds that the Participant has received been disbursed to eligible homeowners?

\$0.00

Has the Participant begun accepting applications from homeowners for any HAF-funded programs?

No

How much of the HAF funds that the Participant has received been obligated?

\$0.00

Provide a brief description of how the Participant has used the HAF funds it has received.

NCHFA has spent \$202,806 on start-up activities of the total 10% allocation received of \$27,333,724.70. This includes NCHFA administrative expense, outreach and marketing expenses, as well as bilingual communication expenses to support plan development, publication, and program planning. Further, letting of the IEM contract has resulted in a commitment of an additional \$22,964,520.80 over the next 5 years.

Budget

Budgeting of HAF Funds by Program Design Element

Specify the amounts of HAF funds that the Participant proposes to allocate to each of the following program design elements, if offered:

Measure	Amount
Mortgage Payment Assistance	\$73,604,254.00
Mortgage Principal Reduction	\$0.00
Payment Assistance for Homeowner's Internet Service	\$0.00
Payment Assistance for HOA fees or liens	\$1,858,693.00
Payment Assistance for Delinquent Property Taxes	\$4,646,733.00
Mortgage Reinstatement	\$149,438,940.00
Facilitate Mortgage Interest Rate Reduction	\$0.00
Payment Assistance for Homeowner's Insurance	\$2,788,040.00
Payment Assistance for Down Payment Assist. Loans	\$0.00
Payment Assistance for Homeowners Utilities	\$0.00

Other measures to prevent homeowner displacement

Measure	Amount
N/A	\$0.00

Displacement Prevention Sub-Total	\$232,336,660.00
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Counseling or Legal Services

The Participant may allocate up to 5% of its HAF funds for counseling or educational efforts by housing counseling agencies approved by the Department of Housing and Urban Development or a tribal government, or legal services, target to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement.

Specify the Participant's allocations for the following	Amount
Counseling or Educational Services	\$0.00
Legal Services	\$0.00

Services Sub-Total	\$0.00
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Reimbursement of Funds Expended After January 21, 2020

As described in the HAF guidance, HAF funds may be used for reimbursement of certain expenses between January 21, 2020 and the date when the first HAF funds are disbursed by the HAF participant under the HAF for a qualified expense (with certain limitations, as set forth in the HAF guidance).

Type of Expense	Amount
N/A	\$0.00

Reimbursement Sub-Total	\$0.00
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Allocation of Administrative Expenses

Type of Expense	Amount
NCHFA Direct/Indirect/Travel	\$4,225,000.00
Third Party Vendors	\$36,350,087.00
Risk Management/Insurance/Building Services	\$183,500.00
Printing/Mail/Delivery/Office Supplies	\$242,000.00

Administrative Expenses Sub-Total	\$41,000,587.00
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Total Plan Requested Amount	\$273,337,247.00
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Amount Requested Confirmation:

Yes

Contacts

Please identify up to three contacts for the Participant- a primary contact, a designated point of contact for reporting, and an additional contact.

Primary Contact

Name: **Stephanie McGarrah**

Agency/Office: **NC Pandemic Recovery Office**

Email: stephanie.mcgarrah@osbm.nc.gov

Phone Number: **9842360600**

Reporting Contact

Name: **Tara Fikes**

Agency/Office: **NC Pandemic Recovery Office**

Email: tara.fikes@osbm.nc.gov

Phone Number: **9842279340**

Additional Contact

Name: **Lisa Fox**

Agency/Office: **NC Pandemic Recovery Office**

Email: lisa.fox@osbm.nc.gov

Phone Number: **9842360600**

Proprietary or Otherwise Non-Public Information

Does your plan submission include any information or materials that are proprietary or otherwise non-public?

No

If "Yes," please indicate which information or materials are proprietary or otherwise non-public.

Title VI Assurances

You must provide on behalf of the HAF Participant assurances that the HAF Participant will comply with Title VI of Civil Rights Act of 1964. Please download the assurances, then review, sign, and upload the signed copy to this page before submitting the HAF Plan.

Title	Upload Date
6. HAF-Title VI Assurance (5-18-2021) NC.pdf 08132021	8/19/2021 12:18 AM

Official Certification

I (the undersigned) certify that the information provided in the HAF submission is accurate and complete after reasonable inquiry of people, systems, and other information available to the HAF Participant. The HAF participant and I acknowledge that any materially false, fictitious, or fraudulent statement or representation (or concealment or omission of material fact) in this submission may be the subject of criminal prosecution under the False Statements Accountability Act of 1996, as amended, 18 U.S.C. § 1001 and also may subject me and HAF Participant to civil penalties and/or administrative remedies for false claims or otherwise, (including 31 U.S.C. §3729 et seq.). I am an authorized representative of HAF Participant with authority to make the above certifications and representations on behalf of the HAF Participant.

Name of HAF Participant:

State of North Carolina

Name and Title of Certifying Official

Name: **Charles Perusse**

Title: **State Budget Director**

Telephone: **9198074717**

Email: charles.perusse@osbm.nc.gov