



# Homeownership Program Bulletin

February 14, 2011

Program Bulletin #2011- 06

To: CalHFA Approved Servicers

## Keep Your Home California Summary

This bulletin provides a summary of the Keep Your Home California program that may be used with CalHFA conventional loans in various loss mitigation situations to assist homeowners in keeping their homes.

The CalHFA Mortgage Assistance Corporation (CalHFA MAC) administers the Keep Your Home California program (KYHC) for all eligible California homeowners. KYHC works directly with homeowners and loan servicers to process homeowner requests for assistance. KYHC will determine homeowner eligibility for funds and work with servicers to complete the transaction benefit and funding process.

Homeowners can contact KYHC directly at 888.954.KEEP(5337). Servicers should contact the KYHC Servicer Relations manager at 916.326.8064. The web site address is [www.KeepYourHomeCalifornia.org](http://www.KeepYourHomeCalifornia.org).

Servicers are required to follow all guidelines related to KYHC programs. KYHC will process and evaluate requests for eligibility and provide KYHC program counseling to homeowners who call directly. KYHC will also request documentation from both the homeowner and the loan servicer during this process and will work with servicers to confirm certain program requirements and terms of loan modifications used in conjunction with KYHC programs.

The four Keep Your Home California programs that may be used in conjunction with existing CalHFA conventional loans are below. While programs may be used together, the maximum amount of funds available per household from the KYHC program is \$50,000.

1. Unemployment Mortgage Assistance Program (UMA) UMA provides the lesser of \$3,000 or the actual current monthly payment of principal, interest, taxes, insurance, and escrowed homeowner association dues (PITIA) per month. The maximum benefit is the lesser of \$18,000 or six monthly payments. Hardship must be based on documented involuntary job loss and the homeowner must have been awarded unemployment benefits from the California Employment Development Department (EDD). EDD benefits must have no less than 90 days remaining. The homeowner must document that the loan is no more than three payments delinquent or that he or she is at risk of imminent default. Further details of the UMA can be obtained from the KYHC web site, [www.KeepYourHomeCalifornia.org](http://www.KeepYourHomeCalifornia.org).

If a CalHFA homeowner has been approved for HomeOpeners<sup>®</sup> Mortgage Protection Program involuntary unemployment insurance benefits, he or she may also apply for UMA once the HomeOpeners<sup>®</sup> benefits have been exhausted. Details of HomeOpeners<sup>®</sup> can be found on CalHFA's web site: <http://www.calhfa.ca.gov/myaccount/homeopeners-faqs.pdf>

The UMA program requires the servicer to provide a forbearance of no less than three months PITIA to homeowners if their unemployment lasts longer than the UMA benefit of 6 months. CalHFA will allow such forbearance.

2. Mortgage Reinstatement Assistance Program (MRAP) MRAP funds will pay all or a portion of past due principal (applicable on amortized loans), interest, taxes, insurance and escrowed homeowner's association dues (PITIA). Servicer-paid advances on behalf of the homeowner may also be included in MRAP funds once all past due PITIA is applied. MRAP funds are limited to past due payments and allowable advances up to \$15,000. Past due payments exceeding those approved by CPC may be paid by the homeowner or capitalized and added to the unpaid principal balance of the CalHFA first loan. Combining MRAP with CalHFA's Loan Modification Program is detailed in CalHFA Program Bulletin #2011-07.
3. Principal Reduction Program (PRP) PRP funds are used to reduce the loan balance, and if applicable, include past due principal (when the loan is fully amortizing), interest, taxes, insurance, and impounded homeowner's association dues (PITIA). Servicer-paid advances on behalf of the homeowner may also be included in PRP funds. The amount of PRP will depend on the amount of other KYHC assistance funds a household receives. . The maximum PRP amount is that which will pay the loan balance down to less than 115% LTV of current value. For details on combining PRP with CalHFA's Loan Modification Program, see CalHFA Program Bulletin #2011-07.
4. Transitional Assistance Program (TAP) TAP is a one time, one household benefit that provides up to \$5,000 to assist a homeowner cover some of the expenses associated with transitioning to a new dwelling place if he or she is no longer able to maintain their current housing expense and CalHFA has approved a foreclosure avoidance solution. Further details of the TAP can be obtained from the KYHC web site [www.KeepYourHomeCalifornia.org](http://www.KeepYourHomeCalifornia.org).

KYHC program criteria are subject to change. Servicers may obtain current information about these programs at [www.KeepYourHomeCalifornia.org](http://www.KeepYourHomeCalifornia.org). Servicers should direct homeowners who are requesting KYHC funds to call 888.954.KEEP(5337). To participate in these programs, CalHFA-approved servicers must sign a servicer participation agreement with CalHFA MAC.

KYHC funds are available to assist homeowners who meet KYHC financial hardship requirements, which must be fully explained and documented. Funds for the KYHC assistance will be paid to the servicers pursuant to the guidelines contained in the KYHC agreement. KYHC programs are available on conventional loans that closed on or before January 1, 2009. The UMA, MRAP and PRP programs require the homeowner to sign a non-interest bearing subordinate promissory note and deed of trust in favor of CalHFA MAC for program funds they receive. This promissory note and deed of trust will be prepared by CalHFA MAC, who will also arrange for its recordation. The subordinate promissory note will be forgiven if the homeowner maintains property as primary residence and the loan stays in good standing for three years.

For questions about this bulletin, contact the CalHFA Loss Mitigation Department:  
Phone 916.376.2920  
Email [PortfolioManagement@calhfa.ca.gov](mailto:PortfolioManagement@calhfa.ca.gov)