KEEP YOUR HOME CALIFORNIA™

CalHFA

California Housing Finance Agency

www.KeepYourHomeCalifornia.org

Section I - Introduction

In early February 2010, President Obama and the U. S. Department of the Treasury ("Treasury") announced the creation of the Housing Finance Agency ("HFA") Innovation Fund for the hardest-hit housing markets ("Hardest-Hit Fund" or "HHF"). The administration allocated federal funds under sections 101 and 109 of the Emergency Economic Stabilization Act of 2008 ("EESA") to five states: California, Florida, Michigan, Arizona, and Nevada. The program's primary goal was to empower HFA's in HHF states to create innovative programs designed to help stabilize housing markets and prevent avoidable foreclosures caused by sustained, high levels of unemployment and steep declines in property values. In March 2010, Treasury expanded its HHF designation to include five more states and by August 2010 there were a total of eighteen states and the District of Columbia that met the criteria of hardest hit.

By the spring of 2010, soaring foreclosure rates were adversely affecting California's families, neighborhoods and property values. For too many struggling homeowners their loss of income lead to mortgage payment default and eventually foreclosure. The ability to sell their homes were also undermined because their mortgages' balances were often far greater than the value of their homes. The state's unemployment rate exceeded twelve percent (12%), the first mortgage loan default rate rose to over fourteen percent (14%), and the percentage of homes with negative equity exceeded thirty-seven percent (37%). These three realities earned California its designation as a state "hardest hit" by the mortgage crisis.

As a condition of receiving federal funds, the California Housing Finance Agency ("CalHFA") submitted a written proposal for use of these funds and created CalHFA Mortgage Assistance Corporation ("CalHFA MAC") as its designated "Eligible Entity" - the nonprofit, financial institution responsible for administration of the state's HHF program.

In response to the proposal, CalHFA MAC received an initial HHF allocation from Treasury in July 2010 valued at $669 million. Before the end of September 2010, the administration had provided two more rounds of funding to California, an additional $476 million specifically for unemployed households and $799 million for all other programs. California received three more rounds of funding from Treasury, two in 2016 and one final round in 2018 – totaling almost $385 million. Altogether, California was allocated $2.3 billion to assist homeowners in the state who were struggling to keep their homes.

CalHFA MAC launched the Keep Your Home California ("KYHC") program by offering four unique ways to provide financial relief to homeowners. Three of the four original programs were designed to provide financial assistance to help homeowners remain in their home. The Unemployment Mortgage Assistance Program ("UMA") provided monthly payment assistance to eligible homeowners whose hardships were unemployment or underemployment. The Mortgage Reinstatement Assistance Program ("MRAP") helped reinstate the past due mortgages of homeowners who had recovered from an eligible hardship such as loss of income, death, disability, divorce or unemployment or underemployment. It also helped homeowners achieve an affordable payment by reducing the amount of past due payments before, or in combination with, a servicer-provided loan modification. The Principal Reduction Program ("PRP") assisted homeowners whose principal residence was "underwater" due to severe negative equity. Later, as property values in California began to recover, PRP guidelines were enhanced to help homeowners achieve an affordable payment by using principal assistance to reduce the amount of their first mortgage loan. The fourth program, the Transition Assistance Program ("TAP") acknowledged that for some homeowners with a permanent, unresolvable hardship, assistance was needed to help them safely transition from their homes when a short sale or deed-in-lieu of foreclosure was negotiated with their servicer.

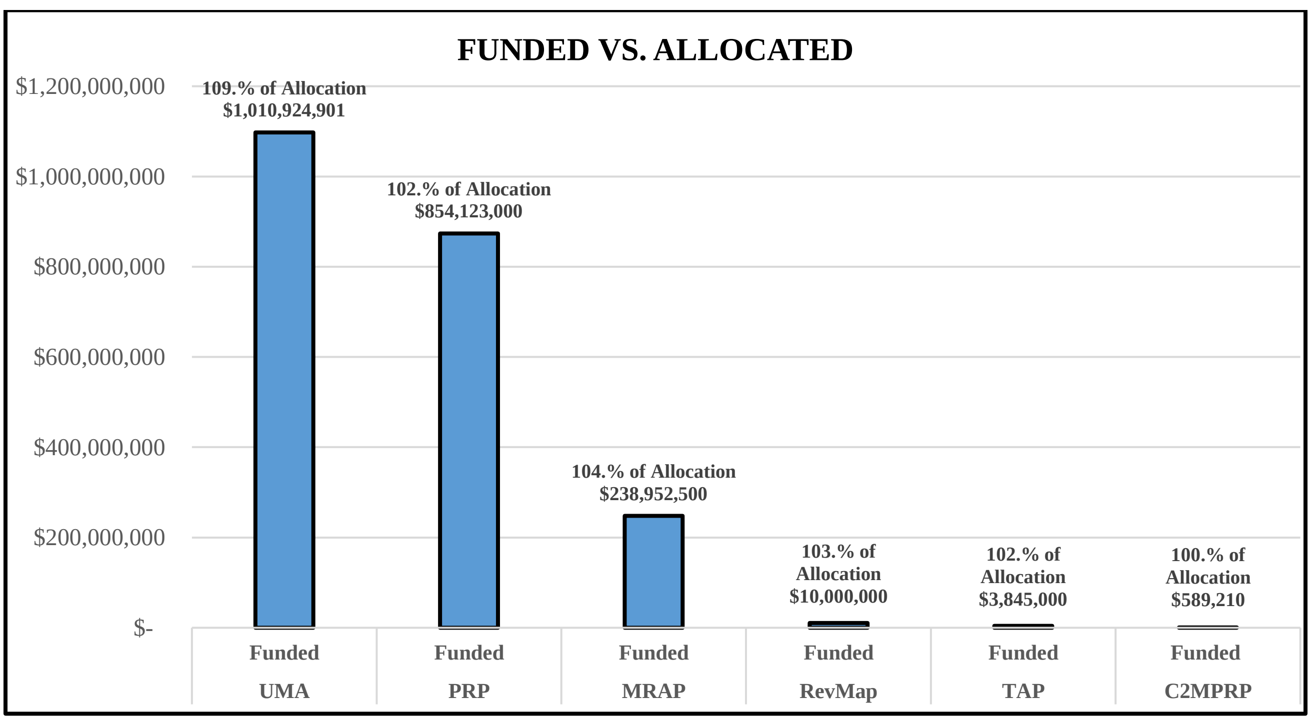
In response to numerous requests from California's housing advocates, counseling agencies and local governments, CalHFA MAC allocated a portion of the HHF monies it received to develop the Housing Finance Agency Innovation Fund ("Innovation Fund"). It set aside $20 million of its Treasury HHF allocation in support of hyper-local foreclosure prevention programs. A formal Request for Proposal ("RFP") process for the Innovation Fund lead to the selection, approval and creation of three unique programs in late 2011 and early 2012. The Community Second Mortgage Principal Reduction Program ("C2MPRP"), the Los Angeles Housing Department Principal Reduction Program ("LAHD PRP") and the NeighborWorks® Sacramento Short Sale Gateway Program ("NWS.") Despite the best efforts of each housing group, the C2MPRP-CHW was the only Innovation Fund program to successfully provide financial assistance to homeowners – evidence of how difficult it is to build, market and administer an effective foreclosure prevention program during a crisis.

In the fall of 2014 CalHFA MAC introduced its fifth and final foreclosure prevention option with HHF monies - a pilot program for seniors with reverse mortgages who experienced eligible hardships which caused them to fall behind on essential property-related payments such as property taxes and homeowner's insurance. Homeowners were required to pay these property-related expenses per the agreement with their reverse mortgage lender. The Reverse Mortgage Assistance Pilot Program ("RevMAP") was created to prevent foreclosure by reinstating past due property-related expenses and provide an additional financial "cushion" to cover required property-related expenses for up to twelve months in the future.

In order to effectively administer the HHF program and meet predicted volumes, CalHFA MAC, through the combined efforts of staff, contractors, and vendors, created the Centralized Processing Center ("CPC") and developed a unique operating system ("CMAC") to support the functional demands of the Keep Your Home California program. The CPC would become the command center for the KYHC program's homeowner and loan servicer support functions. The CPC was in operation six days a week, as much as twelve hours a day handling inbound and outbound phone calls, accepting homeowner applications, gathering required documents, processing and underwriting files and working with servicers and other key vendors to administer the program. In addition, CalHFA MAC provided KYHC program training to HUD-approved housing counseling agencies within the state, enabling them to assist the CPC by accepting applications and guiding homeowners through their requests for KYHC program assistance. CalHFA MAC's executive team retained direct responsibility for CPC oversight and critical functions such as budget management, program funding, quality control, marketing and outreach, risk management, Treasury-required reporting, and policy work with Treasury and other stakeholders.

While each of the unique programs was created to target a specific homeowner circumstance, the four original programs were specifically designed to complement one another and ensure full resolution of a homeowner's hardship. As an example, an unemployed homeowner who was approved to receive monthly payment assistance from UMA could, once they regained employment, return for MRAP. Or, if their home was "underwater" due to negative equity, they could receive PRP assistance to help them achieve an appropriate level of first mortgage debt.

All of California's HHF programs required that homeowners meet county-level, low-to-moderate area median income ("AMI") thresholds and provide income and other documentation to substantiate a valid hardship. In addition, assistance was provided only to homeowners whose principal residence was located in California, with a first mortgage unpaid principal balance less than $729,750 and the ability to demonstrate owner-occupancy of the subject property. Because the entire state was in crisis, California elected not to target a specific county or area of the state. Instead, it made program assistance available to all homeowners on a "first come, first reserved" basis. By December 2011, homeowners in 57 of California's 58 counties had received assistance from the program. Over time, top counties did emerge in areas with significant homeowner populations - Los Angeles, Riverside, San Bernardino, San Diego, Orange, and Sacramento counties received the most financial assistance over the life of the program. Additional details about each program will be described more fully later in this report. The KYHC program disbursed its final homeowner benefit to UMA recipients in February 2020. In all, it funded over $2.2 billion in total benefit assistance to 79,803 unique homeowners, which is more than one hundred five percent (105%) of the total program allocation minus funds for administrative expenses. An additional $115,601,183 in program assistance was provided using recycled funds it collected from CalHFA MAC liens that paid off while the program was in operation. The chart below provides a summary of the funded versus allocated dollars for each unique program.



Note: When the C2MPRP program was closed, its allocation figure was adjusted to match the total funded dollar figure. The original allocation for C2MPRP was $10 million.

California's total approved administrative expense for the program was $241 million, or 10.25% of its total allocation. CalHFA MAC's diligent emphasis on cost-management combined with its operating efficiencies enabled it to close the program with administrative expenses equal to $218 million or 8.91% of its total allocation, which included the additional $115,601,183 in program assistance provided using recycled funds it collected from CalHFA MAC liens that paid off while the program was in operation.

Section II – Summary of Programs

UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM ("UMA")

A. Program Implementation and Evolution

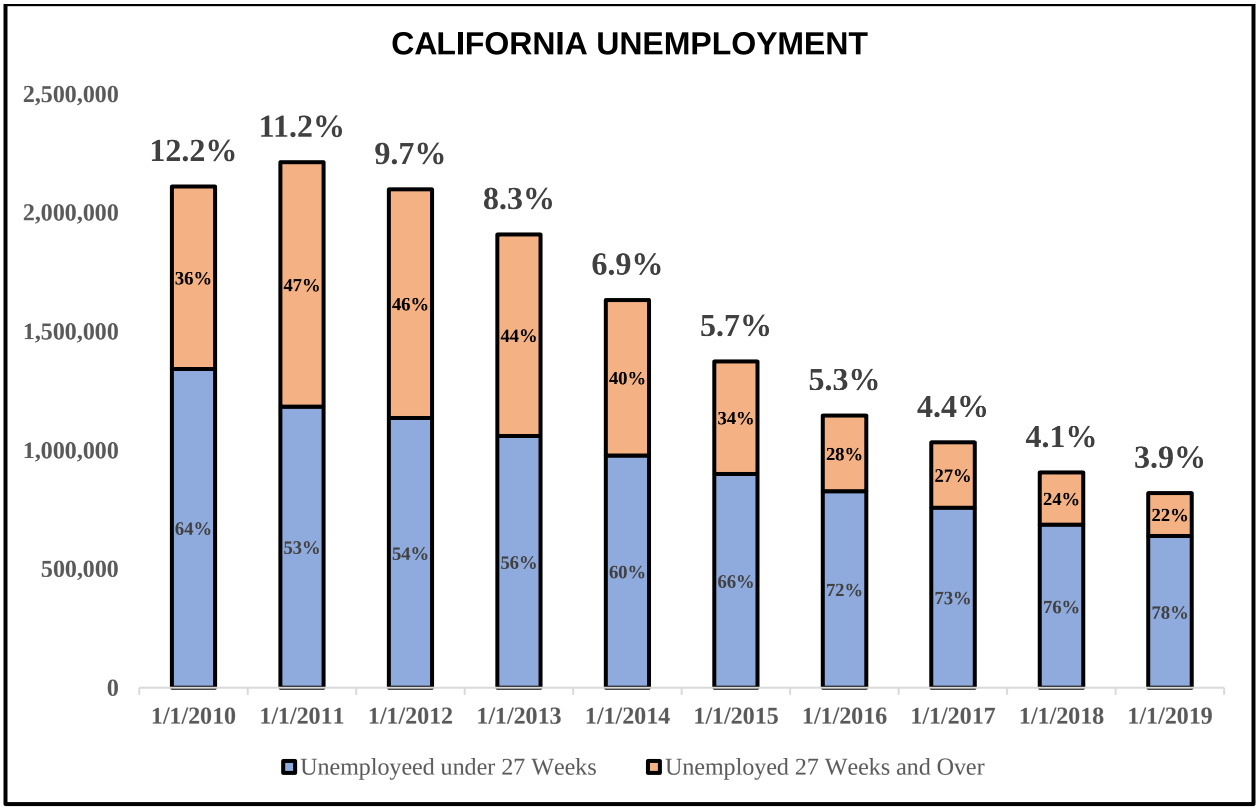
Treasury, through the HHF allocation process, required each state dedicate a portion of the monies it received to provide financial assistance to homeowners who were struggling with unemployment and underemployment hardships. California was required to provide $476 million toward this effort. In all, CalHFA MAC provided over $1 billion of assistance with the UMA program – more than double the Treasury-required allocation amount.

After the successful completion of a four-month pilot from September through December 2010, which provided UMA assistance to homeowners within the HFA′s first mortgage portfolio, CalHFA MAC launched the UMA program statewide in January 2011. Initially, the program offered six (6) months of mortgage payment assistance for a maximum of $18,000 in total benefits. By November 2014, the program had been expanded to provide a maximum of eighteen (18) months of mortgage payment assistance with a maximum of $54,000 in total benefits. In May 2017, UMA was further enhanced to provide an upfront reinstatement for homeowners with loans in default before it began disbursing monthly benefit assistance payments.

All UMA payments were sent directly to the homeowner's first mortgage loan servicer. Along with other program guidelines, homeowners were required to provide evidence of total household income that met CalHFA MAC's low-to-moderate AMI guidelines and have an unaffordable payment that demonstrated their need for program assistance. Homeowners were also required to show they were actively receiving unemployment benefits from the State of California's Employment Development Department ("EDD") as further evidence of their unemployed or underemployed condition. Benefit assistance was secured by a Promissory Note and Deed of Trust. Before receiving assistance homeowners were required to sign an Unemployment Affidavit to certify their unemployed/underemployed status and acknowledge their responsibility to notify KYHC when they became re-employed. Separately, on a quarterly basis, CalHFA MAC obtained employer-reported income information for each UMA recipient directly from EDD. CalHFA MAC used this information to assist in its management of program compliance. Finally, CalHFA MAC worked with servicers to ensure that all HHF benefits provided on behalf of approved homeowners were applied to their loan in a timely manner and, in recognition of received benefits, put a stop to all foreclosure action.

Over time, as the State's unemployment figure changed, CalHFA MAC used EDD data to make adjustments to the UMA program's maximum benefit amount, months of available assistance and other criteria to ensure eligible homeowners got the help they needed to prevent foreclosure of their home – especially important during periods of protracted unemployment and underemployment.

The chart below provides a snapshot of the State of California's overall and long-term unemployment rates from 2010 through 2019. The State of California's EDD defines its long-term unemployed population as persons who are unemployed or underemployed for 27 weeks or more.



In May 2017 UMA criteria was enhanced to include an upfront reinstatement. This step was taken to ensure that homeowners who exited the program after closure of KYHC's application portal had current loans, which mitigated the risk of imminent foreclosure.

The table below illustrates the number of homeowners whose loans were reinstated upfront including the amount of assistance that was provided in each respective quarter. Note that prior to this program change, UMA recipients who ended benefits due to re-employment had the opportunity to reapply for MRAP or PRP assistance to bring their loans current and/or receive the assistance required to achieve an affordable payment. Once the KYHC application portal was closed this option was no longer available to them.

UMA REINSTATEMENT FUNDED BY QUARTER		
Funding QTR	**# Homeowners Assisted**	**Reinstatement Amount**
Q4-2017	42	$ 458,441
Q1-2018	250	$ 2,537,541
Q2-2018	454	$ 3,990,940
Q3-2018	239	$ 2,509,204
Q4-2018	31	$ 373,107
	1,016	**$ 9,869,233**

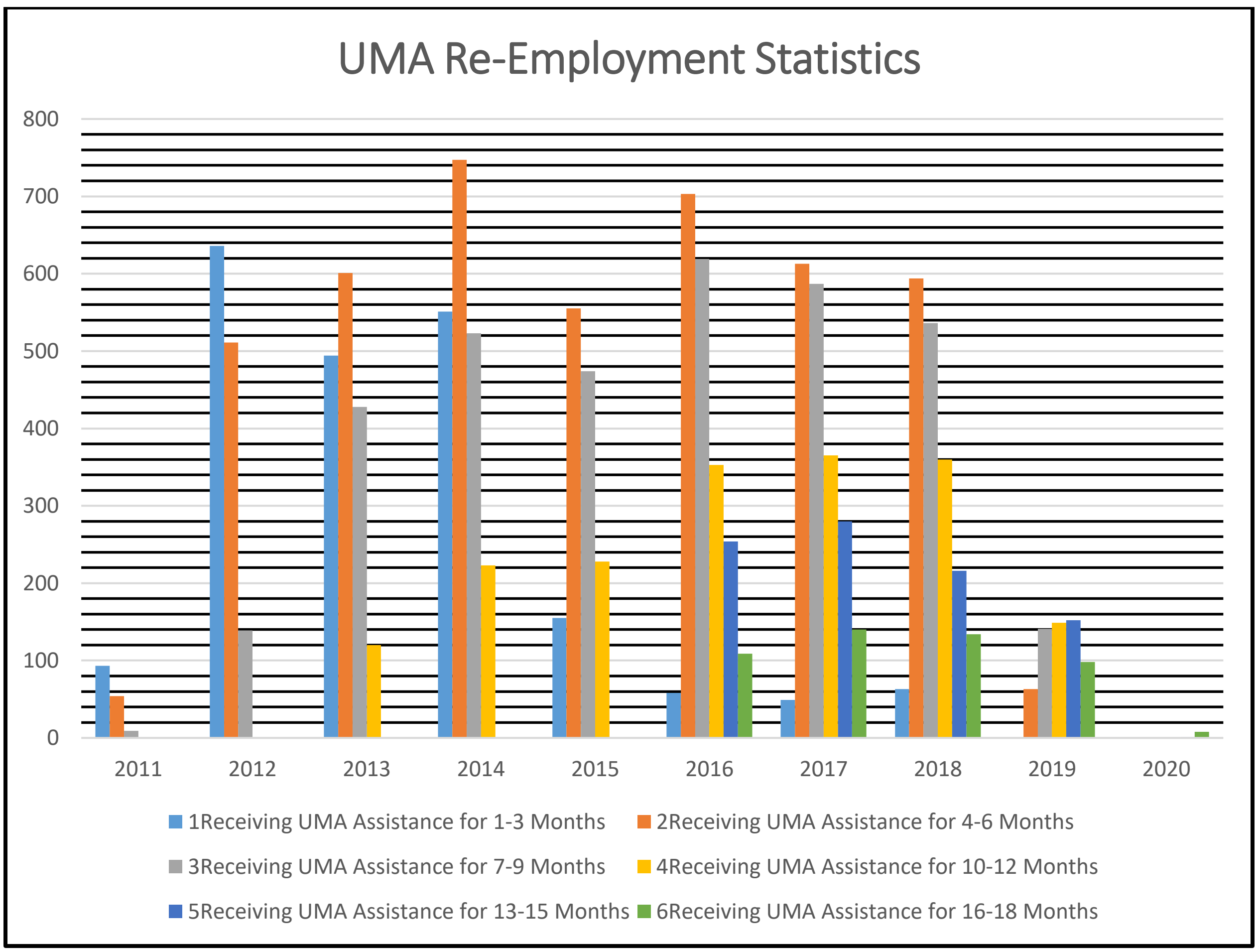
The table below provides a historical summary of the most foundational UMA program changes. It includes the date of the term sheet amendment and the associated lien period, maximum available months and dollar amount of the assistance and a brief summary of the program changes.

Amendment Dates	Summary of Program Terms		Summary of Changes
September 23, 2010	Lien Period	3 years	Original, (pre-launch) term sheet provided maximum benefit of 6 months/$9,000. CalHFA MAC believed it would pay 50% of monthly mortgage payment. Recognized as untenable due to servicer constraints and costs associated with collecting other 50% from homeowner. Adjusted program to pay full mortgage payment.
	Months of Assistance	6 months	
	Program Maximum	$ 18,000	
October 28, 2011	Lien Period	3 years	Added three more months of benefit assistance in recognition of the State's overall and long-term unemployment rates and total number of UMA recipients that remained unemployed at 6 month period.
	Months of Assistance	9 months	
	Program Maximum	$ 27,000	
June 3, 2013	Lien Period	3 years	Added three more months of benefit assistance in recognition of the State's overall and long-term unemployment rates and total number of UMA recipients that remained unemployed at 9 month period.
	Months of Assistance	12 months	
	Program Maximum	$ 36,000	
November 13, 2014	Lien Period	5 years	Added six more months of benefits in recognition of the State's overall and long-term unemployment rates and total number of UMA recipients that remained unemployed at 12 month period. Elongated lien period to support maximum benefit available.
	Months of Assistance	18 months	
	Program Maximum	$ 54,000	
May 26, 2017	Lien Period	5 years	Provided for up-front reinstatement of delinquent loan. Recognition that MRAP/PRP may not be available to re-employed homeowners because of the program's forecast close date, which occurred in June 2018.
	Months of Assistance	18 months	
	Program Maximum	$ 54,000	

The table below provides a summary of the duration of UMA benefits homeowners received by year, shown in three-month tranches. CalHFA MAC utilized EDD statewide unemployment data in combination with its own UMA information to support program changes regarding the maximum months of assistance made available to eligible homeowners.

The majority of UMA recipients received between four and nine months of payment assistance. Although the total number of homeowners who received the maximum eighteen months of UMA was low, this additional assistance provided a much needed lifeline that helped these households avoid foreclosure during protracted periods of unemployment and underemployment.

UMA guidelines permitted homeowners to receive benefit assistance on more than one occassion provided they met all of the program criteria. UMA benefit data shown in the table below includes the total benefits received by all homeowners, regardless of whether the homeowners received assistance on one or more occassions. Please refer to the table above to see the maximum months and dollars of UMA benefits that were available to homeowners over the life of the program.



B. Program Results

The UMA program was originally allocated with $505,237,791 and estimated to assist 34,951 homeowners. By program conclusion, and after several additional rounds of funding from Treasury, it provided $1,097,250,138 in total benefit assistance and helped 61,723 homeowners receive a median benefit amount of $15,378. CalHFA MAC was able to provide an additional $86 million in program assistance to UMA recipients by recycling funds it collected when CalHFA MAC liens paid off.

The table below provides a history of the most significant UMA allocation changes and the impact to the estimated number of homeowners to be assisted.

UNEMPLOYMENT MORTGAGE ASSISTANCE ("UMA") PROGRAM			
Amendment Date	Program $ Allocation	Estimated Number of Homeowners to be Assisted	Estimated $ Media Assistance
9/23/2010	$ 505,237,791	34,951	$ 14,445
10/28/2011	$ 874,995,915	60,413	$ 14,483
6/3/2013	$ 874,995,915	52,021	$ 16,820
6/1/2016	$ 1,001,965,000	58,300	$ 17,200
3/8/2018	$ 1,010,924,901	64,000	$ 15,800

C. Lessons Learned

California, like other HHF states, had its fair share of growing pains. And while there were plenty of lessons learned – both positive and negative - the most significant lesson learned with UMA was how to effectively reach unemployed/underemployed homeowners and encourage them to apply for program assistance. In early 2011, when mortgage relief scam artists were preying on at-risk homeowners, it seemed an unsurmountable challenge to convince people of the program's legitimacy. Implementing a marketing campaign through partnership with the State of California's EDD to reach unemployed/underemployed homeowners and encourage them to apply for KYHC program assistance was truly the key to UMA's overall success. If a mortgage crisis were to happen again, California should strongly consider this method of marketing and outreach.

Another lesson learned was how to share homeowner, mortgage loan and program data among HHF primary stakeholders. In early 2011, California, along with other HHF states, participating servicers and Treasury, jointly developed a business tool called the Common Data File ("CDF"). Hours of work, system development and user-testing resulted in a secure method to exchange important data in support of the HHF program. Data gathered through the CDF processes quickly became the backbone of numerous CPC workflows and management reports. Absent the development, implementation and user-acceptance of this essential business tool, it is difficult to imagine a successful UMA program – or, any HHF program.

MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM ("MRAP")
A. Program Implementation and Evolution

After the successful completion of a four-month pilot from September through December 2010, which provided MRAP assistance to homeowners within the HFA's first mortgage portfolio, CalHFA MAC launched the MRAP statewide in February 2011. Initially, the program offered a maximum of $15,000 in total reinstatement benefits. Between February 2011 and May 2012, the program was expanded on two more occasions resulting in a maximum benefit assistance of $25,000. In March 2015, CalHFA MAC made its final maximum benefit change to MRAP and offered $54,000 to eligible homeowners. When this benefit change was made, the lien requirement increased from three years to five years.

MRAP was designed to provide temporary financial assistance to eligible homeowners who recovered from the hardship that caused their loans to be in default. Underwriting homeowners for MRAP benefits required two initial determinations – 1) how much money was needed to bring the loan current? And, 2) does the homeowner have an affordable payment that meets CalHFA MAC's program criteria? When CalHFA MAC determined there were sufficient MRAP benefits to bring the loan current and the homeowner had an affordable payment, the loan was quickly reinstated. However, when the amount needed to bring the loan current was determined to be greater than the maximum MRAP benefit available and/or the homeowner's payment was unaffordable per program guidelines, then a servicer-provided loan modification was required in combination with the MRAP benefit. Initially, CalHFA MAC believed it would be relatively easy to combine reinstatement benefits with a servicer-provided loan modification. However, after years of working with homeowners and servicers to realize this goal, there were regrettably more failed than completed modifications that included MRAP benefits. A major stumbling block was the lack of participation from servicers who understood the complexities associated with qualifying homeowners for loan modifications. In the end, the most significant underlying reason the process failed pertained to the large number of investor-approved modification types combined with an even larger variety of servicer modification processes. Add a record number of homeowners who sought mortgage relief from loan modifications and it is easy to see, in hindsight, how this particular process was all but doomed from the start. CalHFA MAC made numerous changes to the program in an effort to expand servicer participation and streamline the process. However, none of the changes ever enabled it to successfully navigate the loan modification logjam.

As a result of the inability to provide MRAP benefits in combination with a loan modification, the maximum MRAP benefit amount was increased to $54,000 to ensure homeowners with large past due arrearages could receive assistance. And, PRP guidelines were changed to allow eligible homeowners with an unaffordable payment to receive a principal reduction that lowered the balance of their first loan, which resulted in an affordable monthly payment. When these changes were implemented, CalHFA MAC eliminated MRAP with a modification from the program's offering. As with UMA, CalHFA MAC worked closely with servicers to ensure that MRAP benefits were applied to their loan in a timely manner and, in recognition of received benefits, put a stop to all foreclosure action. Over time, CalHFA MAC made numerous enhancements to MRAP to expand homeowner participation.

The table below provides a summary of the most fundamental MRAP changes including the term sheet amendment date, program allocation, maximum program amount, estimated number of homeowners projected to receive assistance, and a brief summary of the changes.

Amendment Dates	Summary of Program Terms			Summary of Changes
March 31, 2011	Estimated Homeowners		9,211	Removed the 100% dollar-for-dollar match requirement, adjusted MRAP allocations and estimated number of homeowners to be assisted.
	Program Allocation	$	129,400,000	
	Program Maximum	$	15,000	
October 28, 2011	Estimated Homeowners		10,999	Reallocated HHF monies, increased MRAP maximum program cap from $15,000 to $20,000 and adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	159,400,000	
	Program Maximum	$	20,000	
May 3, 2012	Estimated Homeowners		8,830	Increased MRAP maximum program cap from $20,000 to $25,000, adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	159,400,000	
	Program Maximum	$	25,000	
March 6, 2015	Estimated Homeowners		10,400	Increased MRAP allocation, changed maximum program cap from cap from $25,000 to $54,000, adjusted estimated number of homeowners to be assisted, removed option to combine MRAP with modification and transitioned from 3 to 5 year lien.
	Program Allocation	$	165,900,000	
	Program Maximum	$	54,000	
April 1, 2016	Estimated Homeowners		13,400	Received additional round of funding from Treasury ($213,489,977) reallocated MRAP funds, adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	198,375,000	
	Program Maximum	$	54,000	
June 1, 2016	Estimated Homeowners		13,800	Received supplemental allocation from Treasury for Fifth Round Funding ($169,769,247) and reallocated MRAP funds, adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	204,072,500	
	Program Maximum	$	54,000	
May 26, 2017	Estimated Homeowners		13,400	Enhanced MRAP criteria to allow homeowner use of MRAP more than once and adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	204,072,500	
	Program Maximum	$	54,000	
March 8, 2018	Estimated Homeowners		15,700	Reallocated HHF monies to MRAP and adjusted estimated number of homeowners to be assisted.
	Program Allocation	$	238,952,500	
	Program Maximum	$	54,000	

B. Program Results

The MRAP program was originally allocated with $129,400,000 and estimated to assist 9,211 homeowners. By program conclusion, it had provided $247,626,235 in total benefit assistance and helped 15,897 homeowners with an average assistance amount of $15,320. Almost seventy percent (70%) of the homeowners who received reinstatement assistance had loans with four or more payments in default that were in foreclosure. CalHFA MAC was able to provide an additional $8.6 million in program assistance by recycling funds it collected when CalHFA MAC liens paid off.

The table below includes the total number of homeowners who received MRAP benefits. It provides a breakout of those who received a simple reinstatement versus those who received MRAP in combination with a servicer-provided loan modification. Note that almost ninety-seven percent (97%) of all MRAP benefits were provided to homeowners through a simple reinstatement – because they had an affordable payment and a loan with past due arrearages that were less than the maximum MRAP benefits. Only three percent (3%) of all MRAP recipients got assistance in combination with a servicer-provided loan modification.

Mortgage Reinstatement Assistance Program (MRAP)	# of Homeowners Assisted	Average Funded $ per transaction
Reinstatement	15,365	$ 13,066
Reinstatement combined with a loan modification	532	$ 17,574
Total MRAP	**15,897**	**$ 15,320**

C. Lessons Learned

A lesson learned with MRAP was the recognition that despite its best efforts, CalHFA MAC could not expand servicer participation enough to offer MRAP with a loan modification to a large number of homeowners – which meant that homeowners who had an unaffordable payments could not receive MRAP. CalHFA MAC took numerous steps to improve the MRAP with modification process, however, in the end, CalHFA MAC had to recognize that the process was too complicated and servicers did not want to add more steps to an already complex process. So, CalHFA MAC made the changes necessary to ensure these homeowners could get the affordable payment help they needed from PRP and those homeowners with significant past due arrearages could receive assistance from MRAP because of the increase to its maximum benefit amount.

Another lesson learned with MRAP was how to streamline the hardship documentation requirements for homeowners who experienced multiple hardships that occurred over long periods of time. Through its quarterly ineligible reason analysis, CalHFA MAC identified that many MRAP applicants were declined for assistance because they could not document the hardship that caused their loan to be in default. Many used credit cards or even retirement savings to pay their bills for months, sometimes years, after the actual hardship event occurred. As a way of acknowledging the homeowner's efforts to help themselves, CalHFA MAC developed a process that allowed underwriters to accept a written statement from the homeowner that explained the hardship(s) that occurred 24 months (or more) prior to their request for KYHC assistance. The underwriters then used this written statement (hardship letter) to gather key documents and information to validate the homeowner's hardship(s.)

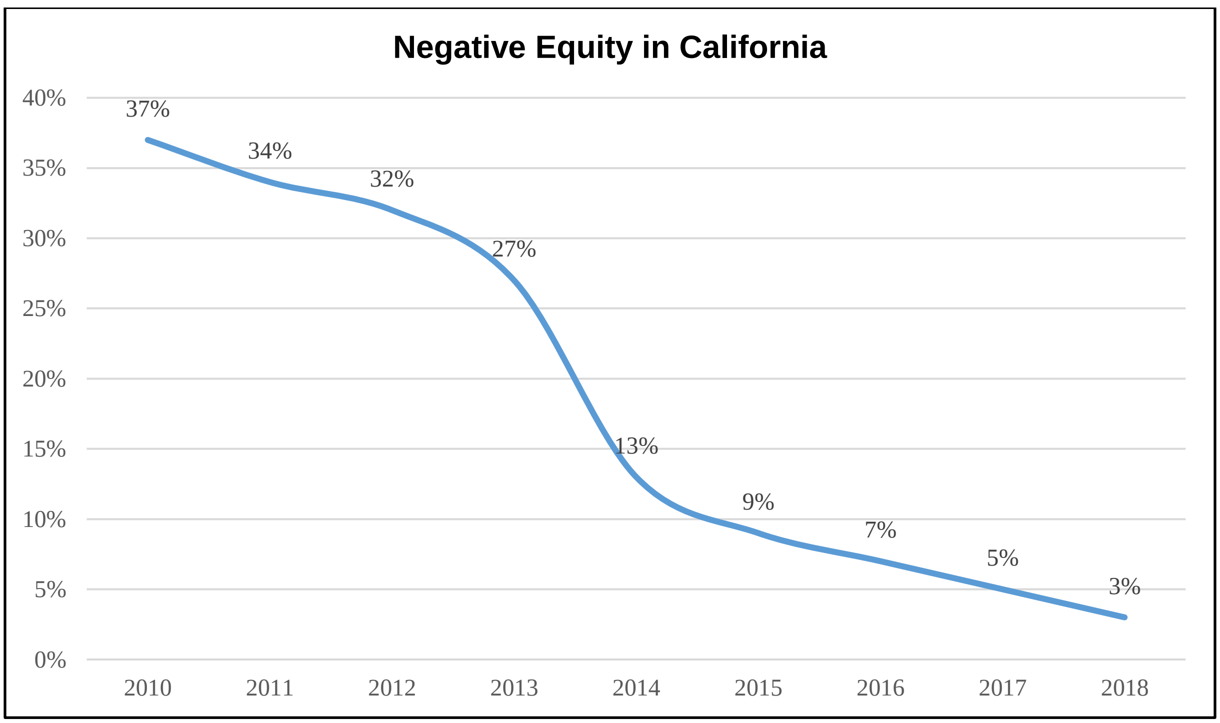
PRINCIPAL REDUCTION PROGRAM ("PRP")

A. Program Implementation and Evolution

CalHFA MAC launched the PRP statewide in February 2011. Initially, the program offered a maximum of $50,000 in total benefits and required a dollar-for-dollar investor match of principal in order for a homeowner to receive the benefit. Participating servicers helped CalHFA MAC (and other HHF states) understand the principal match from investors was largely unattainable due to the significant number of mortgages held in mortgage-backed securities and bonds, owned by private and government sponsored enterprises, which restricted their ability to provide a match of principal to a homeowner's loan. In October 2011, CalHFA MAC acknowledged this PRP criteria as counterproductive to HHF's mission to prevent avoidable foreclosures and increased the maximum PRP benefit to $100,000 per household.

The PRP's original goal was to target homes with severe negative equity and ward off the strategic defaults that were worsening a market already in crisis. Although the definition of severe negative equity changed over the life of the program, in recognition of a market in transition, CalHFA MAC consistently maintained pre and post-assistance loan-to-value ("LTV") and affordable mortgage payment criteria. These criteria helped identify homeowners in need of assistance and ensured that when principal assistance was applied to their first mortgage loan it mitigated the go-forward risk associated with strategic default.

The chart below provides a snapshot of the percentage of first mortgage loans with negative equity in California for the period 2010 through 2018. It illustrates the severity of the negative equity problem that existed in 2011 when the PRP program was launched. And, the significant decline in the number of homes with negative equity that took place over the life of the program.



Similar to MRAP, when PRP was combined with a servicer-provided loan modification, transaction processing was cumbersome with a low success rate. In an effort to improve the PRP with loan modification success rate, CalHFA MAC partnered with Bank of America ("BOA") in early 2011 and developed a process that allowed BOA's servicing team to provide California's PRP assistance to homeowners who had been approved for a Home Affordable Modification Program ("HAMP") that included the Principal Reduction Alternative ("PRA"). The PRA was another part of the Making Home Affordable ("MHA") suite of foreclosure prevention programs – the big sister program to HHF – that provided incentives to servicers and investors to address homes with negative equity.

This one partnership helped 1,779 homeowners receive principal reduction assistance that right-sized their home's negative equity and resulted in an affordable mortgage payment. In addition, each transaction received a dollar-for-dollar match of principal from the investor. In other words, for every dollar of HHF PRP assistance provided to the homeowner a matching dollar from the investor was paid through the MHA PRA program. The success of this partnership was two-fold – first, BOA's willingness to build the process with CalHFA MAC and second, their servicing team's proactive identification of loans with investors who could provide matching principal assistance. Because all of these homeowners received a dollar-for-dollar match of principal assistance from the investor, no collateral documents were required to receive the HHF PRP.

As PRP transaction volume began to increase, CalHFA MAC developed sub-program codes to streamline processing. When homeowners applied for PRP assistance, one of the first steps taken was to determine the underlying reason for the homeowner's request for assistance, (e.g., was it severe negative equity? an unaffordable payment? or, both?). Through the CDF, CalHFA MAC communicated its PRP sub-program codes with servicers, who played a critical role in determining if and how PRP benefits could be applied to the homeowner's loan.

In July 2012, CalHFA MAC, through its collective work with the CDF team, identified a streamlined process for the application of principal called a "recast." The recast process applied principal before re-amortizing the loan to achieve an affordable payment. If an investor allowed a recast, it eliminated the need for a loan modification. The recast sub-type lead the way to many successful PRP transactions. Thirty-seven percent (37%) of all PRP assistance was delivered through a recast. In September 2013, the same CDF team identified another application method for PRP called a "curtailment." The curtailment process allowed the application of principal to address severe negative only when the loan was current and the homeowner had an affordable mortgage payment.

By mid-2014, CalHFA MAC began to see an increase in the number of homeowners who had regained the employment they lost during the crisis but at significantly lower wages than those previously earned. Homeowners often worked more than one job to make ends meet. Seventy-seven percent (77%) of the approved PRP-A population were 50 years and older. The reduction in household income made it difficult if not impossible for these homeowners to afford their mortgage payment. Selling the home was made more complicated because as home prices improved, affordability declined. Twenty-five percent (25%) of these households had loans that were previously modified and included an average forbearance balance greater than $65,000.

The average pre-assistance household income was fifty-seven percent (57%) of the County's AMI limit, which is considered low income by federal and state housing standards. Simply put, many of these homeowners were struggling to keep their home due to loss of income and could no longer afford to relocate - rent or buy.

The table below provides a summary of PRP-A approved applicant attributes.

PRP-AFFORDABILITY – PRIMARY HOMEOWNER ATTRIBUTES		
Age Group	**#**	**%**
90-99	8	0.1%
80-89	136	2%
70-79	759	13%
60-69	1,862	31%
50-59	1,855	31%
40-49	994	17%
30-39	335	6%
20-29	31	0.5%
Total	5,980	100.00%
$65,971	average forbearance balance	
57%	average % AMI by County	

The table below provides a snapshot of California's median home price from 2011 through 2018.

CALIFORNIA MEDIAN HOME PRICE	
Year	**Median Home Price**
2011	$324K
2012	$305K
2013	$335K
2014	$411K
2015	$430K
2016	$464K
2017	$494K
2018	$534K

In March 2015, in response to this homeowner hardship, CalHFA MAC created the final PRP sub-program code called PRP Affordability ("PRP-A"). PRP-A provided principal assistance to homeowners with an unaffordable mortgage payment due to a significant decrease in household income. From mid-2015 through the program's close in June 2018, PRP-A helped 5,980 homeowners keep their home by reducing the unpaid principal balance of their first mortgage loan, which resulted in an affordable payment. Forty-two percent (42%) of all PRP assistance was delivered through the PRP Affordability. When PRP-A was introduced, CalHFA MAC instituted ten and thirty-year liens to secure the assistance. Determination of the lien period was based on the loan's post-assistance loan-to-value ratio. All other forms of PRP assistance were secured with a five-year lien.

B. Program Results

When the PRP maximum benefit was adjusted from $50,000 to $100,000, it was allocated with $772,197,794 and estimated to assist 8,976 homeowners. By program conclusion, it had provided $873,781,895 in total benefit assistance and helped 14,184 homeowners with an average assistance amount of $68,932. CalHFA MAC was able to provide an additional $19.6 million in program assistance by recycling funds it collected when CalHFA MAC liens paid off.

The chart below shows the total number of homeowners assisted by each PRP sub-program type, the pre/post assistance mortgage payment, payment reduction, and the pre/post assistance unpaid principal balance amount and its reduction due to principal assistance – **net of returns.**

Principal Reduction Program		Monthly Payment			Unpaid Principal Balance ("UPB")		
Sub-Program Types	# of Homeowners Assisted	Pre Assistance	Post Assistance	Payment Change	Pre Assistance	Post Assistance	UPB Change
PRP Loan Modification - targeted negative equity and/or unaffordable payment	887	$ 1,995	$ 1,481	$ (514)	$ 307,343	$ 249,937	$ (57,407)
PRP Curtailment - targeted negative equity only	343	$ 1,370	$ 1,206	$ (164)	$ 248,729	$ 182,693	$ (66,036)
PRP with HAMP PRA - targeted negative equity and unaffordable payment	1,781	$ 2,008	$ 1,447	$ (561)	$ 342,282	$ 271,400	$ (70,882)
PRP Affordability - targeted unaffordable payment	5,980	$ 1,613	$ 1,244	$ (369)	$ 233,843	$ 170,750	$ (63,093)
PRP Recast - targeted negative equity and unaffordable payment	5,195	$ 1,496	$ 1,178	$ (317)	$ 277,427	$ 190,185	$ (87,242)
Total # Homeowners Assisted (net of returns) and average pre/post payment and UPB	14,186	$ 1,696	$ 1,311	$ (385)	$ 281,925	$ 212,993	$ (68,932)

C. Lessons Learned

While there were a lot of lessons learned with the PRP, none were more important to the program's overall success than the steps CalHFA MAC took to broaden investor and servicer participation. When the program launched, the entire mortgage industry was in full crisis. Servicers were overwhelmed by the sheer number of homeowner requests for assistance and investors were largely unprepared to deal with the tidal wave of loan defaults and foreclosures at their shores. It took time to develop and implement alternatives to foreclosure including the PRP. In early 2011, servicers were reluctant to participate in the program because they lacked the investor guidance necessary to safely accept and apply PRP monies to homeowner loans. In January 2012 – a full year after the statewide PRP launch - only nine (9) servicers were participating in California's principal reduction program. In the early years, Treasury hosted several important HHF Summits, which were essential to getting investors, servicers and HHF states to work together, face-to-face, to build viable programs. By September 2012, shortly after the 2012 HHF Summit, Fannie and Freddie released guidance to servicers directing them to accept HHF's principal reduction program assistance for loans in their respective portfolios. Finally, the gridlock ended, other investors followed in Fannie and Freddie's footsteps, and PRP benefits began to flow to homeowners. By September of 2013, CalHFA MAC had 105 servicers participating in its PRP.

The chart below provides a summary by year of total approved PRP transactions.

PRP APPROVED TRANSACTIONS		
Year	#	$
2011	161	$ 6,453,085
2012	563	$ 26,245,430
2013	2,105	$ 124,836,326
2014	2,078	$ 135,327,008
2015	2,805	$ 169,105,747
2016	2,516	$ 155,651,001
2017	2,421	$ 155,062,619
2018	1,537	$ 101,100,679
Total	**14,186**	**$ 873,781,895**

TRANSITION ASSISTANCE PROGRAM ("TAP")
A. Program Implementation and Evolution

CalHFA MAC launched the TAP statewide in February 2011. It was designed to provide one-time transition assistance to homeowners who suffered a hardship so severe that they could no longer afford to keep their home. Homeowners were approved to receive benefits in conjunction with a servicer-approved short sale or deed-in-lieu that helped them avoid foreclosure. TAP benefits helped homeowners secure safe housing and pay for items such as moving expenses, deposits, rent, etc. Eligible homeowners were required to meet low-to-moderate income criteria, be able to document a valid hardship and agree to occupy and maintain the home until it was sold or returned to the lender. There was no lien required for the TAP. Throughout the program's history, the maximum benefit provided to a homeowner was $5,000.

When the program was started, CalHFA MAC began by paying TAP benefits directly to the homeowner's loan servicer after confirming it had approved a short sale or deed-in-lieu of foreclosure. However, it was quickly determined that this process was problematic because it placed a burden on loan servicers to transfer the TAP benefits to homeowners, who had often vacated the home prior to the loan servicer's receipt of TAP benefits. Because of this, CalHFA MAC adjusted its internal processes and began sending TAP benefit checks directly to homeowners after the servicer confirmed their approval of a short sale or deed-in-lieu.

The TAP was also designed to work with the Home Affordable Foreclosure Alternatives Program ("HAFA") which was part of the suite of the Making Home Affordable foreclosure prevention programs. HAFA offered incentives to homeowners, servicers and investors who utilized a short sale or deed-in-lieu to avoid foreclosure. HAFA's financial incentives to homeowners changed over time from $3,000 to $10,000. In cases, where the servicer provided the homeowner with less than $5,000 in HAFA incentives, eligible homeowners were able to receive the difference from TAP for a total of $5,000 per household. If the homeowner was not approved to receive any financial incentives from the servicer/investor, TAP would provide the maximum program benefit of $5,000.

B. Program Results

The TAP was originally allocated with $32 million and estimated to assist 6,460 homeowners. At program conclusion, it had provided $3,924,495 in total benefit assistance and helped 1,100 homeowners with an average assistance amount of $3,700. CalHFA MAC was able to provide an additional $79,495 in program assistance by recycling funds it collected when CalHFA MAC liens paid off.

The table below illustrates the total number of TAP transactions and highlights which homeowners received the full $5,000 in transition assistance versus those who received TAP benefits in conjunction with other investor and/or servicer incentives.

Summary of TAP Benefits	% of Homeowners	# Homeowners	$ in Benefit Assistance
TAP - **stand-alone**	49%	539	$ 5,000
TAP - **combined with servicer/investor program**	51%	561	$ 2,203
Total	100%	1,100	$ 3,924,495

C. Lessons Learned

The most significant lesson learned with TAP pertained to CalHFA MAC's original assumption that benefits could be paid to servicers. Disbursing benefits directly to servicers created a problem because it made them responsible for transferring these funds to homeowners. It also caused an unnecessary delay in the homeowners' receipt of benefits. By November of 2011, CalHFA MAC began sending checks to homeowners and by February 2013 it no longer sent any TAP benefits to servicers.

Another lesson learned pertained to CalHFA MAC's original forecast about the number of homeowners who would receive benefits from TAP. CalHFA MAC learned that a significant number of servicers and investors had offered transition assistance incentives that provided homeowners with more than $5,000 in benefits in conjunction with an approved short sale or deed-in-lieu of foreclosure. These programs lessened the need to California's TAP and projections were adjusted to recognize this fact.

REVERSE MORTGAGE ASSISTANCE PILOT PROGRAM ("REVMAP")

A. Program Implementation and Evolution

In September 2014, California launched the Reverse Mortgage Assistance Pilot Program ("RevMAP.") California followed Florida who was the first HHF state to add this innovative program to provide assistance to seniors with reverse mortgages at risk of default. Reverse mortgages, including Home Equity Conversion Mortgages ("HECM"), are loan programs that allow seniors aged 62 or older to utilize the equity in their homes to meet living, medical and/or other essential expenses. Depending on the terms of the reverse mortgage, equity payments to the homeowner could be provided over several years – similar to a home equity line of credit - or could be taken in one lump sum. Many of the senior homeowners in California with reverse mortgages either outlived their scheduled "equity" payments or fully utilized the lump sum equity benefit. The severe decline in property values throughout California served to exacerbate their hardship because selling the home was no longer viable for these senior homeowners. Once their equity payment(s) had been exhausted, seniors lacked the available financial resources to pay their property taxes, homeowner's insurance, or other required property expenses, per their loan agreement with the HECM lender. When this happened, the servicer was forced to advance monies to pay these expenses on behalf of the senior homeowner, which under the terms of the reverse mortgage, immediately placed the home in default. If the senior homeowner was unable to repay these advanced amounts, and resume normal payment of these property expenses, then the servicer was required to initiate foreclosure proceedings.

The goal of RevMAP was to help seniors prevent foreclosure of their homes by reinstating the past due property expenses that created the loan default and pay up to 12 months of future property expenses giving the homeowners much-needed time to develop a plan that enabled them to resume payment of these essential expenses.

In this effort, California partnered with Fannie Mae, the National Council on Aging ("NCOA"), ClearPoint Housing Counseling Agency ("ClearPoint") and reverse mortgage servicers who managed HECM loans for California seniors. Together this team provided coordinated assistance to seniors with HECM loans in default, or at risk of default. In addition to the housing counseling that helped determine if the senior homeowner was eligible for RevMAP benefits, other essential prescreening was performed to see if the household was in need of financial assistance to pay for food, utilities, and/or medicines. This prescreening element helped seniors assess and manage their basic living expenses by directing them to other service providers who could offer other types of financial assistance, which freed up money to help them resume payment of their property charges. ClearPoint was CalHFA MAC's designated housing counseling agency because they had experience working with seniors in connection with HECMs. In this role, they conducted the RevMAP counseling session to determine if the household had sustainable income sufficient to afford their property charges on a go-forward basis. Fannie Mae, reverse mortgage servicers and NCOA all played an essential role by helping CalHFA MAC identify senior households in need and directing them to ClearPoint for their RevMAP counseling assistance. Because many senior households were the target of scam artists who preyed on this at-risk community – these same business partners played an essential role to help legitimize RevMAP and give seniors the confidence they needed to apply for help. Like all of California's HHF programs, in order to qualify, these household had to meet low-to-moderate income AMI requirements, be able to document they suffered a valid hardship that caused the loan default, and demonstrate their ability to resume payment of the property expenses in the future. Because RevMAP provided assistance to HECM loans, CalHFA MAC was required to monitor reverse mortgage program and industry changes that could have an impact on the HHF assistance. As an example, when HUD issued Mortgagee Letter 2014-07, which allowed non-borrowing spouses of reverse mortgage holders to assume the reverse mortgage, CalHFA MAC was required to update its RevMAP to follow suit.

B. Program Results

CalHFA MAC launched the RevMAP statewide in September 2014. Throughout the program's lifetime, it offered a maximum of $25,000 in total benefits to senior homeowners. The original RevMAP allocation was $25 million and was estimated to help 1,400 senior households. After more than two years of working with RevMAP business partners to assist senior households, it became clear that the original allocation would not be spent. In June 2016, CalHFA MAC reduced the allocation to $10 million and revised the estimated number of homeowners to be assisted to 830. In all, RevMAP helped 790 senior homeowners receive $10,316,931 in HHF benefits and avoid foreclosure of their home. CalHFA MAC was able to provide an additional $316,961 in program assistance by recycling funds it collected when CalHFA MAC liens paid off.

C. Lessons Learned

Working with senior homeowners provided CalHFA MAC with some unique challenges not experienced with applicants of its other programs. Document collection was by far the most significant of these challenges. On average, it took twice the time of other programs to collect documents needed to determine program eligibility. And, because older homeowners are not always technologically savvy, the vast majority of KYHC's counseling, follow-up and support services occurred over the phone. This often led to days and sometimes weeks of "telephone tag" just to make contact with the senior homeowner. Many applicants preferred to submit their documents by mail – in lieu of email or fax – which also lead to extended processing timeframes. CalHFA MAC and it partners took steps to help expedite and ease document collection. One of the most effective steps was to encourage homeowners to get help from a family member who could act on their behalf and/or help them gather and submit information. However, this recommendation was not always possible or desired because many seniors did not have access to a trusted family member, or preferred not to share their financial struggles and hardships.

Through its administration of the RevMAP program, CalHFA MAC learned that reverse mortgage loans do not have traditional escrow accounts, which are accounts used to hold monies for future payment of property taxes and insurance. This created a challenge for participating servicers who needed to find a way to hold RevMAP benefits for payment of future property expenses. It took some time, but eventually servicers were able to create "set aside" accounts that acted like escrow accounts and held RevMAP benefits for future payments - up to 12 months. The creation of set aside accounts made it easier to disburse future benefits to servicers.

COMMUNITY SECOND MORTGAGE PRINCIPAL REDUCTION PROGRAM ("C2MPRP")

A. Program Implementation and Evolution

One of the housing counseling agencies who appealed to CalHFA MAC to allocate a portion of the HHF monies to develop a hyper-local foreclosure prevention program was Community Housing Work ("CHW.") In response to CalHFA MAC's Request for Proposals, CHW submitted its application and was awarded $10 million to provide assistance to homeowners through the C2MPRP. Their program was designed to provide capital on 40/60 matching basis in combination with participating nonprofits, credit unions and lenders, to reduce the outstanding principal balances of subordinate second mortgages, as well as providing relief for a subordinate lien on a short sale on a 40/60 matching basis for qualifying properties with negative equity exceeding 107% CLTV. It was envisioned that lenders who participated in the program would be nonprofit lenders, credit unions and traditional lenders with qualifying subordinate liens. The program was intended to provide monies to reduce the principal balance for the purpose of establishing an appropriate level of debt for eligible borrowers with qualifying properties. For example, if the subordinate debt to be extinguished had a principal balance of $50,000, the C2MPRP program would provide up to 40% of that amount or $20,000 and the participating lender would be required to forgive 60% or $30,000. A reduction in principal through C2MPRP was intended to achieve payment affordability for a homeowner with their existing mortgage loans. It was also available for use in conjunction with a servicer-provided loan modification.

B. Program Results

CHW launched the C2MPRP statewide in August 2011. Its original allocation was $10 million and was estimated to assist 370 homeowners. Throughout the program's lifetime, it offered a maximum of $50,000 in total benefits with an estimated per transaction benefit of $25,000. By March of 2015, the program had closed. In total, CHW helped 34 homeowners avoid foreclosure by providing $589,210 in C2MPRP benefits. CHW was the only Innovation Program to provide financial assistance to homeowners.

C. Lessons Learned

In January of 2015, CHW notified CalHFA MAC of its intention to close the C2MPRP. It cited several reasons for the decision including; lack of servicer participation, increase in home equity, homeowners either lacked an eligible hardship – or, had difficulty documenting the hardship, and the inability to achieve an affordable payment in line with the C2MPRP guidelines and criteria. Despite its best efforts, CHW struggled to successfully provide financial assistance to homeowners – which is evidence of how difficult it is to build, market and administer an effective foreclosure prevention program.

Section III – Homeownership Retention Under HHF

The Homeownership Retention tables contain the outcomes of HHF homeowners for all programs within two years of their exit from the program. There are five homeowner categories, including:

- Foreclosure Sale
- Deed in Lieu
- Short Sale
- Traditional Sale
- Borrower Still Owns Home

This data is reported on a cumulative level as well as by individual program. All programs are included *except* for the transition assistance program, as the intent of transition assistance is to help homeowners exit their homes, not retain them.

Please note there are a total of 9,897 households who received HHF assistance but are not included in the retention tables. This is because it has not been two years since they exited the program and do not meet Treasury's reporting guidelines.

Total All Programs	
Foreclosure Sale	
Number	881
Deed in Lieu	
Number	6
Short Sale	
Number	618
Traditional Sale	
Number	5,433
Borrower Still Owns Home	
Number	63,000
Homeownership Retention	
Number	**68,433**
%	**97.85%**

Unemployment Mortgage Assistance	
Foreclosure Sale	
Number	585
Deed in Lieu	
Number	5
Short Sale	
Number	513
Traditional Sale	
Number	4,371
Borrower Still Owns Home	
Number	36,967
Homeownership Retention	
Number	**41,338**
%	**97.40%**

Principal Reduction Program	
Foreclosure Sale	
Number	70
Deed in Lieu	
Number	-
Short Sale	
Number	29
Traditional Sale	
Number	241
Borrower Still Owns Home	
Number	12,214
Homeownership Retention	
Number	**12,455**
%	**99.21%**

Mortgage Reinstatement Assistance Program	
Foreclosure Sale	
Number	208
Deed in Lieu	
Number	1
Short Sale	
Number	76
Traditional Sale	
Number	762
Borrower Still Owns Home	
Number	12,049
Homeownership Retention	
Number	**12,811**
%	**97.82%**

Transition Assistance Program	
Foreclosure Sale	
Number	3
Deed in Lieu	
Number	1
Short Sale	
Number	1,073
Traditional Sale	
Number	-
Borrower Still Owns Home	
Number	-
Homeownership Retention	
Number	**0**
%	**0.00%**

Reverse Mortgage Assistance Pilot Program	
Foreclosure Sale	
Number	18
Deed in Lieu	
Number	-
Short Sale	
Number	-
Traditional Sale	
Number	57
Borrower Still Owns Home	
Number	661
Homeownership Retention	
Number	**718**
%	**97.55%**

Community Second Mortgage Principal Reduction Program	
Foreclosure Sale	
Number	-
Deed in Lieu	
Number	-
Short Sale	
Number	-
Traditional Sale	
Number	2
Borrower Still Owns Home	
Number	32
Homeownership Retention	
Number	**34**
%	**100.00%**

Section IV – Conclusion

When CalHFA MAC launched the Keep Your Home California (KYHC) program in the first quarter of 2011, program officials were well aware there was great need for the assistance across the state. The real challenge was to make homeowners aware of the program and get them the assistance they needed without exceeding the administrative cost targets for operations and marketing. As the program criteria changed over time, the marketing and outreach plan for the KYHC program also became more sophisticated, steadily added elements until it became a multi-faceted campaign that employed both broad-based and targeted marketing strategies.

Early on, marketing efforts were mainly focused on targeted outreach by partnering with servicers that were participating in the program. This occurred in the form of direct mail, servicer's call center campaigns, and outreach events. While these efforts provided opportunities to reach a specific audience that were likely candidates for the assistance, it did not result in a significant number of qualified applications. KYHC expanded its partnership efforts to include sending flyers about the KYHC Unemployment Mortgage Assistance Program in all applications for unemployment insurance that were distributed by the California Employment Development Department (EDD). At the same time, KYHC began utilizing other traditional marketing strategies, including print ads, billboards, bus tails, and radio ads to increase general awareness of the program. These efforts, along with working with EDD and the continued partnerships with the servicers led to a significant spike in applications. However, after a couple years of employing these strategies, applications began to plateau and it was clear additional marketing efforts would be necessary to ensure all HHF funds would be awarded to qualified eligible homeowners by the program deadline. In addition, scammers became ever-more prevalent across the state, leading to a general distrust of mortgage assistance programs. KYHC needed to find a way to differentiate itself and ensure homeowners knew the program was legitimate.

Around this time, KYHC overhauled its website in an effort to make it more user-friendly and to make the stories of real people who had been helped by the program the centerpiece. The homepage featured photos of actual homeowners who had qualified for KYHC and by clicking on the photos, you could read each homeowner's story to see how KYHC impacted them. Not long after the website re-brand, program officials also decided to launch a statewide television ad campaign, featuring animated ads with dynamic text, as well as a complementary online digital-ad campaign. The results were apparent almost immediately. The television ads dramatically increased KYHC's profile and corresponding applications. Likewise, the ads further legitimized the program, since most scammers were small-scale operations that couldn't afford to run television ads. There was a consistent look and feel to the KYHC Program ads, so no matter where you saw them, you could recognize KYHC as an authentic brand. New success stories were being added to the website all the time, legitimizing the program even more and providing additional content. After the initial television and digital ads ran for a couple years, KYHC revamped the ads to show a handful of the success stories in an animated format, which tied every element together nicely.

When homeowners called the Centralized Processing Center for assistance, they were asked, “How did you hear about us?” Homeowner responses to this question helped gauge the overall effectiveness of KYHC’s marketing efforts and highlighted servicers with effective HHF referral techniques. On average, twenty-three percent of all homeowner told us they learned about the program because of a television ad. Over the life of the program, the number one answer was “Servicer/Lender” which, on average, represented twenty-five percent of all homeowner responses.

Throughout the history of KYHC’s program, the operations and marketing teams constantly evaluated the effectiveness of their strategies and regularly enhanced homeowner and loan eligibility criteria and produced new content, respectively. By the time the program wrapped up, the marketing campaign was working on a variety of different mediums, utilizing both general awareness and targeting strategies. Most importantly of all, the campaign and operational strategies achieved the desired results for the program by getting all KYHC funding out to qualified homeowners ahead of the program deadline – and it did so with a total cost under the approved administrative budget.

The chart below illustrates the total approved applicants by year for all five Keep Your Home California’s programs.

Keep Your Home California - Approved Households by Program

Year	UMA		MRAP		PRP		TAP		RevMAP		Total # and $	
	#	$	#	$	#	$	#	$	#	$		
2010	18	$ 179,553	2	$ 12,589							20	$ 192,142
2011	3,533	$ 43,256,256	624	$ 6,994,262	161	$ 6,453,085	29	$ 133,000			4,347	$ 56,836,603
2012	13,632	$ 86,167,274	2,113	$ 27,230,269	563	$ 26,245,430	84	$ 373,000			16,392	$ 40,015,973
2013	10,132	$ 155,008,760	2,067	$ 7,970,691	2,105	$124,836,326	359	$1,305,527			14,663	$ 09,121,304
2014	9,011	$ 40,209,816	3,112	$ 43,592,520	2,078	$135,327,008	321	$1,015,642			14,522	$ 320,144,986
2015	8,723	$ 169,453,952	2,409	$ 42,824,845	2,805	$169,105,747	143	$ 501,955	260	$ 2,992,111	14,340	$ 384,878,610
2016	7,055	$ 55,744,583	1,733	$ 1,783,170	2,516	$155,651,001	75	$ 258,370	277	$ 3,842,662	11,656	$ 347,279,786
2017	5,659	$ 38,331,407	1,942	$ 3,550,593	2,421	$155,062,619	52	$ 189,500	178	$ 2,500,736	10,252	$ 329,634,855
2018	3,960	$ 108,898,537	1,894	$ 33,621,455	1,537	$101,100,679	37	$ 147,500	75	$ 981,452	7,503	$ 244,749,623
2019			1	$ 45,842							1	$ 45,842
Totals	**61,723**	**$1,097,250,138**	**15,897**	**$247,626,235**	**14,186**	**$873,781,895**	**1,100**	**$3,924,495**	**790**	**$10,316,961**	**93,696**	**$2,232,899,724**

The HHF program provided CalHFA MAC with several important takeaways. The first was how to balance the need to act quickly in a time of crisis while staying focused on creating effective and innovative programs and processes to accomplish its mission of helping struggling homeowners prevent foreclosure of their home.

The second was the importance of identifying and leveraging business partnerships. Through its oversight of the HHF program, Treasury led this effort and never failed to share ideas and feedback, support ongoing program changes, and connect us with critical mortgage stakeholders. Organizing and sponsoring annual HHF Summits ensured active engagement with participating servicers, investors and insurers and became the place where many critical discussions and negotiations took place which led to broad based acceptance of the program.

The Hardest Hit Program was a truly innovative approach to providing mortgage foreclosure relief to struggling homeowners. And, as evidenced by the homeowner retention rates for the Unemployment, Mortgage Reinstatement, Principal Reduction and Reverse Mortgage programs, ninety-eight percent (98%) were able to prevent foreclosure and keep their home.

Without the guidance and support from Treasury, the marketing collaboration of EDD, and the important partnerships with participating loan servicers, HUD-approved housing counseling agencies, the team at the CPC, and the CalHFA MAC Board, the KYHC program could not have achieved statewide success.