

Mortgage Reinstatement Assistance Program

Summary Guidelines



- 1. Program Overview**

The Mortgage Reinstatement Assistance Program (“MRAP”) is one of CalHFA MAC’s federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes, but are in imminent danger of losing their home to foreclosure.

MRAP provides funds to assist income-qualified homeowners to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure.
- 2. Program Goals**

The MRAP will prevent avoidable foreclosures by helping homeowners reinstate their past due first mortgage loans.

MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of homeowners who qualify for modification.
- 3. Target Population/ Areas**

MRAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner’s specific situation in lieu of targeting certain regions or counties.
- 4. Program Allocation (Excluding Administrative Expenses)**

\$238,952,500.00
- 5. Borrower Eligibility Criteria**
 - Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home California website.
 - Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.
 - Homeowners who have recently encountered a financial hardship due to their military service are eligible.
 - Homeowner has adequate income to sustain reinstated first-lien mortgage loan, per CalHFA MAC approved guidelines.
 - Homeowner must agree to provide all necessary documentation to satisfy program guidelines within the timeframes established by CalHFA MAC.

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- Mortgage loan is delinquent as substantiated by homeowner's hardship documentation. The delinquency and the total amount required to cure the delinquency is verified with the servicer.
- The first lien mortgage delinquency amount must be less than the MRAP benefit available to the homeowner.
- Loans in foreclosure are eligible.
- The homeowner's total monthly first-lien mortgage payment PITI (principal, interest, taxes and insurance, as applicable), and any escrowed homeowner's association dues or assessments, payment must be a maximum of 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits) to meet the definition of an affordable payment.
- On a case by case basis, CalHFA MAC reserves the right to review and approve post-assistance affordable monthly first lien mortgage parameters greater than 38%, consistent with CalHFA MAC program guidelines.
- General program eligibility is determined by CalHFA MAC based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.

6. Property/Loan Eligibility Criteria

- Current, unpaid principal balance ("UPB") (includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan is not greater than \$729,750.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.
- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

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7. Program Exclusions

- Homeowner has a subordinate lien that is in foreclosure as evidenced by a recorded NOD or Notice of Trustee's Sale ("NOS").
- Homeowner is in "active" bankruptcy. Homeowners who have previously filed bankruptcy are eligible for consideration only with proof of court order "Dismissal" or "Discharge."
- MRAP benefit assistance request for reinstatement with a first-lien total monthly first lien mortgage payment PITI (principal, interest, taxes and insurance, as applicable) and any escrowed homeowner's association dues or assessments, payment of greater than 38% of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits) will be considered unaffordable and is excluded from MRAP reinstatement benefit assistance. Such homeowners with unaffordable payments may be considered for Principal Reduction Program ("PRP") assistance.
- The total past due arrearage of the first mortgage loan exceeds the maximum available MRAP benefit amount.
- Loan is less than two (2) payments past due as of the date of request for assistance.
- Property is subject to a first priority lien securing a Home Equity Line of Credit ("HELOC").

8. Structure of Assistance

CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (5) five years, the subordinate loan will be released. There is no pro-rated forgiveness for this loan. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out and there are equity proceeds available prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance in accordance with the Agreement.

9. Per Household Assistance

Up to \$54,000 per household in total (average funding of \$15,200) for PITI (principal, interest, tax, insurance, as applicable) and any escrowed homeowner's association dues or assessments, arrearages (and in all cases, subject to the HHF program maximum benefit cap of \$100,000 with respect to monies previously received under other HHF programs, if any).

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| 10. Duration of Assistance | Available in a single, lump-sum disbursement.

CalHFA MAC reserves the right to provide additional MRAP benefits, not to exceed the maximum program assistance amount per household, to previous MRAP recipients if the homeowner has suffered a subsequent, qualifying hardship. |
| 11. Estimated Number of Participating Households | Approximately 15,700. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000 with an average funding of \$15,200. |
| 12. Program Inception/Duration | The statewide launch of MRAP was February 7, 2011 and it will continue until December 31, 2020 or until funding is fully reserved, whichever comes first. |
| 13. Program Interactions with Other HFA/Programs | Other HFA program benefits may be available to the homeowner provided the HHF program maximum benefit cap of \$100,000 has not been exceeded., and program funds are available. The homeowner is required to apply separately for each HFA program. |
| 14. Program Interactions with HAMP | MRAP may follow a loan modification under HAMP. |
| 15. Program Leverage with Other Financial Resources | CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits. |