

# Unemployment Mortgage Assistance

## Summary Guidelines



### 1. Program Overview

The Unemployment Mortgage Assistance Program (“UMA”) is one of CalHFA MAC’s federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes, but have suffered a loss of income due to unemployment or underemployment.

CalHFA MAC is partnering with financial institutions to provide program funds to reinstate a delinquent first mortgage loan and subsidize an eligible homeowner’s mortgage payments.

UMA provides mortgage payment assistance in an amount up to 100% of the PITI (principal, interest, tax, and insurance, as applicable) and any escrowed homeowner’s association dues or assessments, for up to eighteen (18) months, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment. UMA will provide assistance to reinstate the first mortgage loan and provide monthly payment assistance, if the loan is delinquent as a result of an eligible hardship.

### 2. Program Goals

UMA’s goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment or underemployment.

UMA will reinstate a delinquent first mortgage loan and make monthly payments in order to prevent foreclosure and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.

UMA was designed to assist homeowners who are currently receiving California Employment Development Department unemployment benefits, and includes homeowners whose unemployment benefits lapsed or expired within 60 days of the request for UMA assistance.

UMA was designed to complement other loss mitigation programs, including increasing a homeowner’s eligibility for an extended written forbearance plan and/or loan modification.

### 3. Target Population/ Areas

UMA 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)

\$1,010,924,901.00

# Unemployment Mortgage Assistance

## Summary Guidelines



### 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 underemployment or unemployment, including those whose unemployment hardship is related to their military service.
- Homeowner's total monthly first-lien mortgage payment PITI (principal, interest, taxes, and insurance, as applicable) and escrowed homeowner's association dues or assessments must exceed 25 percent of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits).
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines within the timeframes established by CalHFA MAC.
- Homeowner must be currently receiving California Employment Development Department unemployment benefits, or their unemployment benefits have lapsed or expired no more than 60 days prior to the request for UMA assistance.
- 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.
- If the maximum program amount is not sufficient to both reinstate a delinquent first mortgage loan and provide at least six (6) monthly mortgage payments, CalHFA MAC may, if approved by the loan servicer, commence monthly mortgage payment disbursements without reinstatement of the delinquent loan.

### 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.

# Unemployment Mortgage Assistance

## Summary Guidelines



- 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.

### 7. Program Exclusions

- A Notice of Default (“NOD”) has been recorded on the subject property’s first mortgage loan more than 60 days prior to the date of request for UMA assistance.
- 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.”
- Homeowner’s “hardship” is a result of voluntary resignation of employment.
- Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.
- Homeowner becomes fully employed at any time during the UMA benefit period.
- Homeowner is actively being reviewed for a short sale, a deed in lieu and/or TAP benefits.
- 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 total amount of HHF assistance including reduced PITI (principal, interest, tax, insurance, as applicable), any escrowed homeowner’s association dues or assessments, and any reinstatement amount necessary to bring a delinquent first mortgage loan current. 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.

# Unemployment Mortgage Assistance

## Summary Guidelines



- 9. Per Household Assistance** Up to \$54,000 per household in total (average funding of \$15,800), equaling 100% of PITI (principal, interest, tax, insurance, as applicable), any escrowed homeowner's association dues or assessments, and any reinstatement amount necessary to bring a delinquent first mortgage loan current (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).
- 10. Duration of Assistance** Homeowner participation in UMA is limited to eighteen (18) months maximum.
- 11. Estimated Number of Participating Households** Approximately 64,000. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000 with an average funding of \$15,800.
- 12. Program Inception/Duration** The statewide launch of UMA was January 10, 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** UMA benefit may follow a loan modification under HAMP or a forbearance plan under HAMP UP.
- 15. Program Leverage with Other Financial Resources** Upon completion of all UMA benefit assistance payments and based on homeowner need, the servicer agrees to consider an extension of unemployment forbearance plan or other foreclosure prevention program, as applicable and per investor guidelines.
- CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).