

SALISH & KOOTENAI HOUSING AUTHORITY

HOMEOWNER ASSISTANCE FUND POLICY

March 22, 2022

(COVID-19)

SALISH & KOOTENAI HOUSING AUTHORITY POLICIES. Housing Authority has adopted a series of administrative and management policies. These Policies are formally adopted by the Housing Authority and the Board and staff are required to follow them until they are revised or changed by formal action. Some of the provisions of these Policies, but not all, reflect requirements of federal or tribal law. Furthermore, Housing Authority may from time to time adopt other rules, requirements, and procedures to administer its programs; however, all of these practices must comply with Housing Authority Policies.

This Homeowner Assistance Fund Policy was adopted by the Salish and Kootenai Housing Authority Board of Commissioners on the 16 day of April, 2022.

Updates in 2.2 D. to include liens, condominium association fees, or common charges, and similar costs; 2.3 B to include increase to 150% in line with HAF Guidance and wording of whichever is greater was approved by the Board of Commissioners on the 7th day of June, 2022.

Updates in 2.3 J. written attestation for financial hardship; 2.6 A. maximum assistance of \$10,000 for eligible expenses, D. applicant is required to complete and show proof of financial counseling before eligible; E. applicant requests additional assistance, the applicant must provide documentation from mortgage lender of making three consecutive personal mortgage payments before additional assistance is provided was approved by the Board of Commissioners on the 18th day of April 2023.

HOMEOWNERS ASSISTANCE FUND POLICY

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SECTION 1

PURPOSE STATEMENT

THE PURPOSE OF THIS PROGRAM

The purpose of this program is strictly limited to the Homeowners Assistance Fund Program (HAF), Section 306 of the American Rescue Plan Act (ARPA), signed into law by President Joe Biden on March 11, 2021. The Salish & Kootenai Housing Authority (Housing Authority) may have other homeowner assistance programs available which will have a separate policy & procedure distinguished from this program.

This policy & procedure document will contain requirements from both the United States Department of Treasury and the Housing Authority.

SECTION 2

PROGRAM

2.1 Duration of Program

This program shall operate until all HAF funds are expended or until HAF funds are recaptured or returned to the United States Department of Treasury, whichever event occurs first.

2.2 Available Use of Assistance Funds

The Housing Authority shall only use HAF program funds to provide financial assistance to eligible applicants. Such assistance includes the following as written in HAF guidelines:

- A. Mortgage Payment Assistance
 - 1. Delinquent mortgage payments and associated fees.
 - 2. May provide current and future mortgage payments with written attestation of hardship to support the need.
- B. Payment Assistance Homeowners Insurance
 - 1. Past due homeowner's insurance balance and associated fees.
 - 2. New homeowner insurance policies to keep homeowners compliant with mortgage requirements.
- C. Payment Assistance Taxes
 - 1. Delinquent, current, and/or future tax payments and associated fees.
- D. Payment Assistance Homeowner Association (HOA) fees or liens, condominium association fees, common charges, and similar costs.

Funding will be applied to the following prioritized population:

60% of the funding will be allocated to applicants with incomes less than 100% of the Area Median Income (AMI) for their household size or the national median income, whichever benefits the applicant. The remaining funds will be allocated to applicants with 150% AMI or to be presumed socially disadvantaged by the United States Department of Treasury.

A **pilot program** will be implemented to serve as a trial run for the HAF program. The pilot program will use 10% of the total HAF funds. This will give HAF staff a better understanding and what to expect once the HAF program is in full effect. This will also give HAF staff time and resources to better all processes involved with the HAF program. This includes the intake process, documentation process, and payment process. The pilot program will utilize the Tribal Credit delinquent mortgage homeowners as a trial demographic. Once the pilot program funds are exhausted, or the trial demographic is depleted, the Salish & Kootenai Housing Authority will proceed with the HAF program. Non-Tribal Credit applications will be placed on hold until the HAF plan is approved through the Treasury and the full amount of funding is received. All applicants who applied for the pilot program and received funding can also apply with the HAF program once it begins.

2.3 HAF Program Requirements

- A. Requested assistance must pertain to either a mortgage, homeowners insurance policy, property tax expenses, and/or HOA fees.
- B. Applicant must be income eligible. (At or below 150% of the area's median income (AMI) or 100% of the median income for the United States, whichever is greater)
- C. Renters and/or other types of living arrangements are not eligible for HAF funds. Only homeowners with active mortgages are eligible for mortgage payment assistance.
- D. Property must be the applicant's primary residence.
- E. Mortgage agreements may not be held by other individuals such as family members, friends, or acquaintances. Only commercial mortgages recognized as legitimate lenders are eligible for the HAF program for all eligible expenses.
- F. Applicants must be an enrolled tribal member or descendant of the Confederated Salish & Kootenai Tribes. Documentation for affiliation is a requirement. Tribal affiliated applicants may reside on or off the Flathead Reservation.
- G. Co-owners of mortgage properties may not apply for duplicate assistance.
- H. Applicants who are behind on one or more of the qualified expenses must be willing to provide all of the required documentation. Required documentation is listed on the application checklist.
- I. Processing of delinquent payment amounts will be prioritized.
- J. Eligible applicants do not have to be delinquent in one of the qualified expenses. They may attest that they experienced financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member).

2.4 Application

- A. Applications may be submitted in person, by email, or by fax.
- B. Complete applications must be accompanied by supporting documents that reflect needed assistance from selected qualified expenses such as;
 - 1. Mortgage documents/agreements
 - 2. Tax statements
 - 3. Insurance statements
 - 4. Proof of enrollment
 - 5. Other supporting documents, if needed
- C. A complete application shall include the following:
 - 1. Date application is completed
 - 2. Name and contact information of the applicant
 - 3. Household names and composition (income status)
 - 4. Legitimate signatures of all adults in the household
 - 5. Specified hardship
 - 6. No sections of the application may be left blank
- D. Incomplete applications will not be processed. When an incomplete application is submitted, the HAF intake assistants will contact the applicant and request the missing information required to complete the application. The HAF program intake team will work with the applicant to complete the application and correct any application deficiencies.

2.5 Income Determination

- A. Definition of income: The Housing Authority will use a household's annual income to determine income eligibility. Adjusted gross income can be submitted using the Internal Revenue Service tax forms such as 1040. Income can also be calculated using the applicant's two most recent paycheck stubs.
- B. Income eligibility: Income eligibility is categorized by 100% or 150% AMI. If an applicant's annual income surpasses these amounts of the AMI, they will be determined ineligible for the HAF program.
- C. AMI Definition: 100% AMI for a household means two times the income limit for very low-income families for the relevant household size, as published by the Department of Housing and Urban Development (HUD) in accordance with 42 U.S.C. 1437 a(b)(2) for purposes of the HAF. When determining AMI with respect to tribal members, the Housing Authority may rely on the methodology authorized by HUD for the Indian Housing Block Grant Program.

100% of the median income for the United States means the median income of the United States, as published by HUD for purposes of the HAF.

150% of the area median income for a household means three times the income limit for very low-income families for the relevant household size.

- D. In determining the income of a household for program eligibility, the Housing Authority will consider either;
 - 1. The household's total income for the current calendar year.
 - 2. The adjusted gross income as stated on the Internal Revenue Tax form 1040 for individual Federal annual income tax purposes. This does not require the applicant to file or use 1040 with the IRS.
 - 3. Other income source documents such as wage statements, interest statements, unemployment compensation statements, SSI award letters, etc.
- E. Document verification by the Housing Authority will be done by using normal practices when processing HAF applications.

2.6 Terms for Eligible Applicant

- A. Each eligible applicant can be approved for HAF up to maximum assistance of \$10,000 for qualified expenses.
- B. Applicants cannot reapply for assistance after meeting the maximum assistance allowed.
- C. If an applicant applied for assistance for qualified expenses but will need additional assistance, the applicant will need to express this to HAF staff so they can make a note of this upcoming expense on the applicant's customer card/intake log. In such instances, the applicant's file will be pulled and reprocessed for the newly qualified expenses when the applicant submits the statement.
- D. If the applicant requests additional assistance but failed to make payments from the time they were provided initial assistance, the applicant will be required to complete and show proof of financial counseling before being eligible.
- E. If the applicant requests additional assistance, the applicant must provide documentation from the mortgage lender of making three consecutive personal mortgage payments before additional assistance is provided.

2.7 Program Priorities

- A. The Housing Authority will prioritize applicants with an eligible household income that is limited to but does not exceed 100% of the AMI.
- B. The Housing Authority will also prioritize households that are unemployed during the date the application is received. Unemployment must be caused by some effects of the Covid-19 pandemic.
- C. Assistance shall be provided on a first come, first serve basis. Program acceptance is based on the date the application is approved by HAF staff.
- D. At the time a household is approved or deemed ineligible for assistance, HAF staff will formally notify the applicant in writing.
 - a. Ineligible applicants will be notified of the reasoning for which they were denied the HAF program by the HAF staff with a formal letter of denial. If denial is due to application deficiencies, HAF staff may work with the applicant to correct mistakes.

- E. If an application is submitted incomplete or missing required documents, the applicant will be notified by HAF staff via phone call, letter, or email. A deadline will then be given to the applicant to turn in documents or correct the application, whichever is needed. The deadline will be the time period of two weeks from the date the applicant is notified of application deficiencies.
- F. Eligible applicants who are approved for the HAF program shall give up to a total of 30 days for payments to be made to the vendor.

2.8 Distribution Process

- A. Assistance shall be disbursed directly to the eligible applicant's service provider (lender, tax collector, and insurance company). Assistance will not be sent to the applicant or any member of the household.
- B. Outreach may be required by HAF staff to obtain the cooperation of the eligible applicant's service provider. If a service provider needs confirmation of payment, HAF staff will formally notify the service provider that payments will be made in writing if necessary.

2.9 Reporting Compliance

- A. The Housing Authority HAF program will comply with all federal reporting requirements for this program. The Housing Authority will maintain all documentation required for accurate reporting.
- B. Assistance provided by the Housing Authority HAF program shall not be regarded or reflected as income for eligible applicants who are approved.
- C. The Housing Authority HAF program will comply with all federal, state, local, and tribal laws and regulations described in Section 501(a) of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020).
- D. The Housing Authority HAF program staff will be obligated to report any misconduct or false documentation for the purpose of fraud prevention and misuse of funds. HAF staff will also have the ability to deny applicants based on these stipulations. If the suspicion of fraudulent activity is present, HAF staff will conduct their due diligence to conclude a decision on suspected documents.