

United States Department of the Treasury

Homeowner Assistance Fund Plan Submitted by Delaware State Housing Authority

HAF Grantee Plan Name
HAFP-0262

United States Department of the Treasury

Homeowner Assistance Fund Plan For Participants with Allocations \$5 million or Greater

Allocation Amount	\$5 Million or Greater
Submission Date	3/11/2022 3:58 PM
Total Plan Requested Amount	\$50,000,000.00
Record Type	State
Application Record	SLT-0022
HAF Grantee Plan Status (external)	Submitted

Homeowner Needs and Community Engagement

What Quantitative Data Has Informed the Participant's Planning?

Treasury will assess the extent to which a Participant has, in the course of its HAF planning process, relied on quantitative data, including from community-based organizations or organizations that serve potentially eligible homeowners.

In its HAF planning process, has the Participant obtained quantitative data from mortgage servicers, private data providers, government entities, community-based organizations, or other sources to inform its planning about how to target and best serve eligible homeowners with mortgage delinquencies, defaults, foreclosures?

Yes

If yes, please list and, briefly describe each source of quantitative data.

DSHA analyzed mortgage delinquency data made available through sources affiliated with NCSHA, the Federal Reserve Bank, and others.

DSHA also used data contained within its statewide housing needs assessment, and data provided by Treasury.

Finally, DSHA used data provided by individual mortgage servicers with whom we have existing relationships.

In its HAF planning process, has the Participant obtained and reviewed quantitative data or studies regarding which demographic segments in its jurisdiction have historically experienced discrimination in the housing or housing finance market?

Yes

If yes, please list and, briefly describe each source of quantitative data.

Yes, to determine base-line mortgage and homeownership data (as opposed to more current mortgage delinquency data) we consulted the Delaware state-wide housing needs assessment. While the data is not current and therefore doesn't show the impact of the COVID pandemic on homeowners, it does provide insight into the conditions and homeownership data at very granular levels across the entire state and broken down into submarket reports. The statewide housing needs assessment is available on our website.

While the Statewide Needs Assessment data is outdated, our primary use for the data will be to establish which demographic segments within our jurisdiction have historically experienced discrimination in the housing or housing finance markets. These trends change slowly and certainly have not changed enough since the housing needs assessment was completed to require a revision to the marketing and outreach targeting plans.

In short, we believe that the data analysis performed by the DSHA will be sufficient and likely exceed what is needed for us to ensure that we are targeting our HAF program marketing and outreach efforts to areas of the state where the need is the greatest.

In its HAF planning process, has the Participant obtained quantitative data from utility providers or entities charged with assessing and collecting property taxes or relied on quantitative data or studies to inform its planning about how to target and best serve eligible homeowners at risk of displacement due to utility arrearage or tax foreclosure?

Yes

If yes, please list and, briefly describe each source of quantitative data.

DHSA contemplates using HAF funds to cure utility arrears in instances where the arrears will result in a lien against the property (for example, the City of Wilmington can file a lien against a property for delinquent water and sewer payments). There are other accessible and well-funded programs in the state of Delaware to meet utility arrears, such as DSHA's existing WSTAP program, and DSHA will connect applicants seeking non-lienable utility assistance to those resources. As such we did not focus on utility provider quantitative data.

DSHA anticipates curing property tax delinquencies as part of larger mortgage work-outs, as an effort to avoid displacement for people who have reverse mortgages or in other ways risk displacement due to tax delinquency. Data and assistance with outreach will be coordinated with local tax jurisdictions as well as the state Division of Revenue.

In the following text box, please list any source not listed above of quantitative information, including sources of data on the performance of any of the Participant's previously implemented programs, that the Participant used to inform its HAF planning process, briefly describe how the data informed the Participant's planning.

DSHA evaluated the performance of the Delaware Emergency Mortgage Assistance Program (DEMAP) that has been in operation for around ten (10) years. DEMAP was created primarily following the Pennsylvania "HEMAP" model and focused on solutions to mortgage default caused by unemployment and in response to the financial crisis of the past decade. This data was helpful but in a limited way as the housing market and the reasons for mortgage default are very different now.

DSHA also has the benefit of being one of the last states to submit a plan to Treasury and has therefore been able to work with other states and gain insights into their considerations. DSHA was particularly interested in the program design implemented by the state of Maryland as the plan was one of the first approved by Treasury and because the homeownership markets are quite similar in many ways.

Did the Participant communicate with mortgage servicers regarding the development of its program design?

Yes

Did the Participant communicate with other HAF participants regarding the development of its program design?

Yes

How Has Community Engagement and Public Participation Informed the Participant's Planning?

Treasury will assess the extent to which a Participant's assessment of homeowner needs has been informed by and reflects input from organizations and individuals representing eligible homeowners, including any opportunities for public participation in the development of the Participant's plan. Treasury will pay particular attention to the extent of the Participant's engagement with populations that are the subject of statutory targeting requirements.

Has the Participant requested and received input on its HAF planning process from providers of housing counseling services or providers of legal assistance to homeowners facing foreclosure or displacement?

Yes

Provider information

If yes, please list such providers, including the providers' address and website. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Provider Name Provider Address Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impact of Housing Discrimination
Delaware Federation of Housing Counselors NA ,NA,Delaware 19901 http://www.defhc.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal Services Corporation of Delaware 100 West 10th St. ,Wilmington,Delaware 19801 http://www.lscd.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Delaware Department of Justice 820 N. French St. ,Wilmington,Delaware 19801 https://attorneygeneral.delaware.gov/fraud/cpu/...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Has the Participant requested and received input regarding its HAF planning process from community-based organizations or organizations that serve potentially eligible homeowners?

Yes

Community Information

If yes, please list such organizations, including the providers' address and website if available. Please indicate by checking the appropriate box below if the provider's primary purpose is to serve low- and moderate-income households or to address the impacts of housing discrimination on one or more demographic groups in the Participant's jurisdiction.

Organization Name Organization Address Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impact of Housing Discrimination
United Way of Delaware 625 North Orange St., Wilmington, Delaware 19801 http://www.uwde.org	✓	✓
Sussex County Habitat for Humanity PO Box 759, Georgetown, Delaware 19947 http://www.sussexcountyhabitat.org	✓	✓
NCALL 363 Saulsbury Rd, Dover, Delaware 19904 http://www.ncallresearch.org	✓	✓

Has the Participant consulted with localities or tribal governments (cities, counties, or rural communities) in its jurisdiction regarding the needs of eligible homeowners in its jurisdiction?

Yes

Has the Participant provided an opportunity for public input regarding its HAF Plan through public hearings or published materials?

Yes

If yes, please indicate whether a proposed or draft plan was published, please describe where details about the comment solicitation were posted, for how long, in what languages, and whether any efforts were made to make the posting accessible to persons with disabilities or individuals without reliable internet access.

The public input process included the opportunity for written and oral comments to be made. The written comments were accepted via email while oral comments were accepted during conference calls hosted by the Authority. Notice of the public comment period was posted on our web site, distributed through several email lists and by certain partners to their constituencies on our behalf. DSHA posted to its website a full narrative of the plan.

How Will the Participant Continue to Assess the Needs of Eligible Homeowners?

Treasury anticipates that an ongoing process of assessing the needs of eligible homeowners will help address the needs of potentially eligible homeowners as economic conditions change over time.

Does the Participant plan to update its assessment of community needs within the next year to determine whether its HAF program design should be updated to address changing needs of potentially eligible homeowners?

Yes

What additional data would be helpful to the Participant as it seeks to assess homeowner needs over time?

DSHA will have the ability to create detailed reporting on every step of the application process. For example, we will assess application completeness, reasons for denial, assistance needs, income, demographic information and other data points. We will also conduct efforts to ensure that we are reaching affected homeowners by conducting surveys of community-based organizations, housing counseling agencies, etc. to measure the needs of homeowners who do not access the application system.

Program Design

What are the Program Design Elements Through Which the Participant Will Deliver HAF Assistance to Eligible Homeowners?

A program design element is a specific activity or program, which is consistent with a qualified expense category, under which a Participant will disburse HAF funds in accordance with the HAF Plan. Please note that multiple program design elements may fit under a single qualified expense category; for example, a mortgage assistance program that has different terms for federally backed mortgages and manufactured-home mortgages may constitute two separate program design elements, for which case the Participant provides a separate term sheet or other description for each program design element.

HAF participants must have at least one program design element intended to reduce mortgage delinquency among targeted populations. Treasury encourages HAF participants to consider program design elements that address homeownership preservation for targeted populations in areas where there is a sustained trend of increasing property taxes or utility costs, including for households that do not have mortgages.

Please identify each qualified expense category in which the Participant will offer a program design element by checking the boxes below.

- mortgage payment assistance
- mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity
- payment assistance for homeowner's utilities, including electric, gas, home energy, and water
- payment assistance for homeowner's insurance, flood insurance, and mortgage insurance
- payment assistance for delinquent property taxes to prevent homeowner tax foreclosures
- payment assistance for down payment assistance loans provided by nonprofit or government entities
- financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default
- facilitating mortgage interest rate reductions
- payment assistance for homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b)
- payment assistance for homeowner's association fees or liens, condominium association fees, or common charges
- measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties

For each program design element that the Participant will offer, the Participant is required to upload a term sheet or other description, that, at a minimum, provides the following information regarding that program design element. Term sheets for all of Participant’s HAF programs may be uploaded together as one document.

Title	Upload Date
HAF Program Design Overview	3/11/2022 1:16 PM

A HAF participant may elect to revise its HAF Plan over time to add or subtract program design elements. Does the Participant anticipate adding additional program design elements to this HAF Plan within one year of this submission?

No

Treasury has provided sample term sheets to assist HAF participants in developing their HAF plans. Participants may use these sample term sheets, in whole or in part, as part of their submission. To the extent the Participant intends to structure the program differently with respect to significant program terms described in the Sample Term Sheets, Treasury will, in the course of its review of the HAF Plan, request a justification for how the alternate approach will further the objectives of the HAF, including targeting and prioritization requirements. In the chart below, the HAF Participant may provide a justification for significant deviations from the terms described in the sample term sheets upon initial submittal. (optional for initial submission)

Program Design Element	Deviation from sample terms	Justification
N/A	N/A	N/A

Documentation of Homeowner Income

Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF only if they have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. In addition, not less than 60% of amounts made available to each HAF participant must be used for qualified expenses that assist homeowners having incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater. The HAF guidance describes permissible ways for HAF participants to determine homeowner income.

Under the HAF guidance, one permissible approach for determining income is for (1) the household to provide a written attestation as to household income and (2) the HAF participant to use a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household’s geographic area. Will the Participant allow income to be determined in this way?

Yes

If yes, please describe the fact-specific proxy or proxies to be used for the income determination.

DSHA intends to accept written attestations from DE-HAF applicants to ascertain eligibility for the programs (100% of AMI or 150% of AMI depending on the program). DSHA does not anticipate allowing the use of geographic area or other criteria not linked directly to the homeowner’s individual determinants. In addition, while eligibility will be determined with a

pass/fail income threshold, later in the application review process a more specific income verification process will be required to establish the amount of monthly mortgage obligation that will be affordable to the homeowner. This income verification process will need to rely on substantiated documentation.

Under the HAF guidance, HAF participants may provide waivers or exceptions to this documentation requirement as reasonably necessary to accommodate extenuating circumstances, such as disabilities, practical challenges related to the pandemic, or a lack of technological access by homeowners; in these cases, the HAF participant is still responsible for making the required determination regarding household income and documenting that determination. Will the Participant allow applicants to request such waivers or exceptions?

Yes

Eligible Mortgage Types

Please indicate which of the following mortgage types are eligible to be assisted under one or more of the Participant's program design elements.

- First Mortgages
- Reverse Mortgages (Home Equity Conversion Mortgages, Single-Purposes Reverse Mortgages, or Proprietary Reverse Mortgages)
- Contracts for Deed or Land Contract (if it is a credit transaction secured by a consensual security interest in a dwelling)
- Second Mortgages
- Loans Secured by Manufactured Housing (secured by real estate or dwelling)

If the Participant excludes any of the forgoing mortgage types from one or more program design elements, explain the exclusion.

Delaware does not plan to exclude any of the above mortgage types.

How Will the Participant Target HAF Resources Consistent with Statutory Requirements?

The Participant must describe how it will target HAF resources in accordance with the HAF guidance. Targeting strategies are affirmative efforts to inform, encourage the participation of, and facilitate access to resources for targeted households, including by offering multiple intake formats, engaging with nonprofit organizations (e.g., housing counselors or legal services organizations) to provide additional pathways into the program, and providing community outreach, partnerships with housing counseling agencies or legal aid organizations, or other educational services that are aligned with the HAF participant's program design, in a manner that is culturally and linguistically relevant to the targeted communities.

Defining Socially Disadvantaged Individual

Please describe the process the Participant will use to determine whether a homeowner is a "socially disadvantaged individual" as defined in the HAF guidance.

DSHA considers households who would have traditionally experienced challenges in obtaining the financing necessary to become homeowners as 'socially disadvantaged' for the purposes of the HAF program. This may include homeowners who are protected under the classifications of state and federal fair housing law. This may also include homeowners who purchased homes in areas where financing has been difficult to obtain as a result of redlining. DSHA will collect appropriate demographic data through program application portals to report on the assistance provided to socially disadvantaged individuals.

Public Communications

Will the Participant engage in a public communications campaign to raise awareness among targeted populations about the availability of HAF resources, in media such as television, newspapers, online media, or social media?

Yes

If yes, please indicate whether the public communications campaign will include communications that primarily target the following populations:

- Homeowners earning less than 100% of area median income
- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- resident of a majority-minority Census tract; (3)
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land
- homeowners in persistent poverty counties;
- individual with limited English proficiency

Please indicate in which languages, in addition to English, public communications to targeted populations will be undertaken:

Spanish

Outreach

Will the Participant engage in outreach through partnerships with organizations that focus primarily on serving homeowners earning incomes below 100% of area median income or socially disadvantaged individuals and that have the capacity to engage targeted communities in a culturally and linguistically relevant manner to encourage the submission of applications for HAF resources from targeted populations?

Yes

If yes, please indicate whether the community outreach efforts will include partnerships with organizations that primarily target the following populations:

- member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;

- resident of a majority-minority Census tract; (3) individual with limited English proficiency;
- resident of a U.S. territory, Indian reservation, or Hawaiian Home Land;
- homeowners that reside in persistent poverty counties;
- individual with limited English proficiency.

Housing Counseling and Legal Services

Will the Participant facilitate access for eligible households to housing counseling or legal services?

Yes

If yes, please identify below the providers of housing counseling or legal services that have indicated to the Participant that they are willing and able to support homeowners receiving assistance under the Participant’s HAF programs.

Provider Name Provider Address Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impact of Housing Discrimination
Legal Services Corporation of Delaware 100 West 10th St., Suite 203 , Wilmington, Delaware 19801 http://www.lscd.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Delaware Federation of Housing Counselors NA , NA, Delaware 19901 http://www.defhc.org	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Targeting specific groups of homeowners

Will the Participant conduct outreach specifically tailored to target potentially eligible households that:

- have mortgages or mortgage assistance contracts held or backed by the Participant?
- have mortgages backed by any of the following agencies: Federal Housing Administration; Department of Veterans Affairs; U.S. Department of Agriculture?
- have privately held mortgages?

What Efforts will be Made to Address Barriers to HAF Program Participation for Potentially Eligible Homeowners, Including Those with Limited English Proficiency or Who are Disabled?

Targeted outreach may be needed to reach homeowners who are likely to experience barriers to access, including persons with limited English proficiency and those with disabilities.

Indicate all of the languages, in addition to English, in which the Participant's HAF application and other program documents will be made available.

Spanish

Will the Participant's HAF applications and other program documents be provided in forms that are accessible to persons with disabilities?

Yes

Performance Goals

Treasury will consider the goals and benchmarks the Participant proposes to use to measure the effectiveness of its programs, including whether those goals address the homeowner needs identified by the Participant, the extent to which the goals are disaggregated by key homeowner characteristics as appropriate for the jurisdiction, and whether they include a goal focused on reducing mortgage delinquency.

Please describe Participant’s goals and benchmarks for each of its programs with the following program design elements.

Program Design Element	Metric of Success	Goal
Mortgage Payment Assistance	Number of mortgages recast and made affordable	1000 homeowners will either have their mortgage brought current and/or have their mortgage made affordable long-term through modification
Payment Assistance for Delinquent Property Taxes	Number of homeowners avoiding displacement through curing of arrears of non-mortgage delinquencies	1000 homeowners will avoid displacement through curing of arrears of non-mortgage delinquencies, including property taxes, insurance, lot lease, or other non-mortgage housing costs.

Readiness

Staffing, Systems and Contractors

Treasury seeks information regarding the Participant's organizational capacity to implement its HAF Plan.

Does the Participant anticipate needing to hire additional staff to implement this HAF Plan?

Yes

Does the Participant anticipate significant information technology system upgrades to implement this HAF Plan?

Yes

Does the Participant have policies or procedures that govern the implementation of each HAF program design element described in this HAF Plan?

No

If no, is a policy and procedure in development for each HAF program design element described in this HAF Plan?

Yes

Will the Participant use HAF funds to assist eligible households through a program that was operational before the Participant first received HAF funds?

No

Will the Participant use any third-party contractor or partner to conduct program administration (such as reviewing applications, determining eligibility, processing payments, conducting reporting, and reviewing compliance) for some or all of the Participant's HAF programs?

Yes

If yes, has the Participant entered into all necessary arrangements with all of the third-party contractors or partners that will conduct program administration?

No

Use of Initial Payment

If the Participant has already received any HAF funds from Treasury, provide the following information about the use of such funds as of June 30, 2021.

What amount of the HAF funds that the Participant has received been disbursed to eligible homeowners?

\$0.00

Has the Participant begun accepting applications from homeowners for any HAF-funded programs?

No

How much of the HAF funds that the Participant has received been obligated?

\$0.00

Provide a brief description of how the Participant has used the HAF funds it has received.

Budget

Budgeting of HAF Funds by Program Design Element

Specify the amounts of HAF funds that the Participant proposes to allocate to each of the following program design elements, if offered:

Measure	Amount
Mortgage Payment Assistance	\$30,000,000.00
Mortgage Principal Reduction	\$0.00
Payment Assistance for Homeowner's Internet Service	\$0.00
Payment Assistance for HOA fees or liens	\$2,500,000.00
Payment Assistance for Delinquent Property Taxes	\$2,500,000.00
Mortgage Reinstatement	\$0.00
Facilitate Mortgage Interest Rate Reduction	\$0.00
Payment Assistance for Homeowner's Insurance	\$2,500,000.00
Payment Assistance for Down Payment Assist. Loans	\$0.00
Payment Assistance for Homeowners Utilities	\$2,500,000.00

Other measures to prevent homeowner displacement

Measure	Amount
None	\$0.00

Displacement Prevention Sub-Total	\$40,000,000.00
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Counseling or Legal Services

The Participant may allocate up to 5% of its HAF funds for counseling or educational efforts by housing counseling agencies approved by the Department of Housing and Urban Development or a tribal government, or legal services, target to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement.

Specify the Participant's allocations for the following	Amount
Counseling or Educational Services	\$1,600,000.00
Legal Services	\$900,000.00

Services Sub-Total	\$2,500,000.00
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Reimbursement of Funds Expended After January 21, 2020

As described in the HAF guidance, HAF funds may be used for reimbursement of certain expenses between January 21, 2020 and the date when the first HAF funds are disbursed by the HAF participant under the HAF for a qualified expense (with certain limitations, as set forth in the HAF guidance).

Type of Expense	Amount
Non	\$0.00

Reimbursement Sub-Total	\$0.00
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Allocation of Administrative Expenses

Type of Expense	Amount
Vendor contract costs	\$5,000,000.00
DSHA Administrative Costs	\$2,000,000.00
Transaction Related Expenses	\$500,000.00

Administrative Expenses Sub-Total	\$7,500,000.00
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Total Plan Requested Amount	\$50,000,000.00
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Amount Requested Confirmation:

Yes

Contacts

Please identify up to three contacts for the Participant- a primary contact, a designated point of contact for reporting, and an additional contact.

Primary Contact

Name: **Cynthia Karnai**

Agency/Office: **Delaware State Housing Authority**

Email: cynthia@destatehousing.com

Phone Number: **3027394263**

Reporting Contact

Name: **Marlena Gibson**

Agency/Office: **Delaware State Housing Authority**

Email: marlena@destatehousing.com

Phone Number: **3027394263**

Additional Contact

Name: **Stephanie Griffin**

Agency/Office: **Delaware State Housing Authority**

Email: stephanieg@destatehousing.com

Phone Number: **3027394263**

Proprietary or Otherwise Non-Public Information

Does your plan submission include any information or materials that are proprietary or otherwise non-public?

No

If "Yes," please indicate which information or materials are proprietary or otherwise non-public.

Title VI Assurances

You must provide on behalf of the HAF Participant assurances that the HAF Participant will comply with Title VI of Civil Rights Act of 1964. Please download the assurances, then review, sign, and upload the signed copy to this page before submitting the HAF Plan.

Title	Upload Date
6. HAF-Title VI Assurance (5-18-2021) (1) (002)	3/11/2022 1:43 PM

Official Certification

I (the undersigned) certify that the information provided in the HAF submission is accurate and complete after reasonable inquiry of people, systems, and other information available to the HAF Participant. The HAF participant and I acknowledge that any materially false, fictitious, or fraudulent statement or representation (or concealment or omission of material fact) in this submission may be the subject of criminal prosecution under the False Statements Accountability Act of 1996, as amended, 18 U.S.C. § 1001 and also may subject me and HAF Participant to civil penalties and/or administrative remedies for false claims or otherwise, (including 31 U.S.C. §3729 et seq.). I am an authorized representative of HAF Participant with authority to make the above certifications and representations on behalf of the HAF Participant.

Name of HAF Participant:

Delaware State Housing Authority

Name and Title of Certifying Official

Name: **Marlena Gibson**

Title: **Director of Policy & Planning**

Telephone: **3027394263**

Email: marlena@destatehousing.com