
Emergency Homeowners' Loan Program (EHLF)

What Do Homeowners Want to Know?

Top Questions About EHLF

1. What is the Emergency Homeowners' Loan Program?

The Emergency Homeowners' Loan Program (EHLF) was created to provide emergency mortgage assistance to homeowners who are temporarily and involuntarily unemployed or underemployed due to the economy or a medical condition and are at risk of foreclosure. The Dodd-Frank Wall Street Reform and Consumer Protection Act provided \$1 billion to the U.S. Department of Housing and Urban Development (HUD) to develop EHLF.

2. How can the Emergency Homeowners' Loan Program help me?

The Emergency Homeowners' Loan Program (EHLF) can provide eligible homeowners with a 0% interest, forgivable loan that pays past-due mortgage payments (principal, interest, taxes, insurance, attorney fees), as well as a portion of the homeowner's monthly mortgage payment for 12 to 24 consecutive months, or up to \$50,000, whichever comes first, and provided that certain eligibility requirements are maintained.

3. When can I apply for EHLF?

While the original deadline to apply was July 27th, HUD estimates that resources will be available to reach more homeowners at risk of foreclosure and has announced that some counseling agencies will accept additional homeowner application information through September 15, 2011.

4. How do I qualify for EHLF?

To be eligible to receive EHLF emergency assistance, a homeowner must meet certain conditions, including but not limited to:

- a. Own fee simple title or 99-year leasehold to the mortgaged property
- b. Property must be a single-family (1-4 unit), condominium, or cooperative.
- c. Involuntary unemployment or underemployment due to adverse economic conditions or a medical emergency
- d. Current income at least 15% less than it was in 2009
- e. At least 90 days delinquent on your mortgage as of June 1, 2011
- f. Have received a written notice from your mortgage lender/servicer indicating that you are delinquent on your first mortgage payments ("Breach Letter") AND indicates the lenders/servicers intention to foreclose (e.g., failure to cure the delinquency will result in the commencement or continuation of foreclosure proceedings).
- g. Combined 2008 or 2009 adjusted gross income of all persons named on your first lien mortgage documents is less-than-or-equal-to \$75,000 or 120% of the Area Median Income for a household of four (4) persons, as determined by HUD (<http://www.huduser.org/portal/EHLF/index.html>).
- h. The mortgaged property must be your principal residence.



- i. Each person named on your first lien mortgage documents must be a U.S. citizen, U.S. non-citizen national, or qualified alien.
- j. You are not currently in bankruptcy (personal or business). Borrowers that exit bankruptcy prior to submitting a full application are eligible so long as any discharged mortgage debt has been reaffirmed by the borrower.
- k. Have no more than two open liens on your home.
- l. Have no Federal tax lien.
- m. Not delinquent on any Federal debt, including student loans. Note that you may obtain a student loan deferment, forbearance, or another form of debt relief prior to submitting an application in order to meet this requirement. See:
<http://studentaid.ed.gov/PORTALSWebApp/students/english/difficulty.jsp>.
- n. History of good payment on your mortgage prior to your reduction in income. Specifically, not 60 days late more than one time on your first and/or second mortgage in the 12 months between 2008 and 2009.
- o. Have a current flood insurance policy in good standing if your home is in a flood zone.

5. How do I apply for EHL P assistance?

The first step is to get a copy of the Pre-Applicant Screening Worksheet. Worksheets are available online at <http://www.FindEHL P.org> as well as from nonprofit housing counseling agencies participating in the EHL P program.

6. Where can I find the EHL P counseling agencies?

Participating EHL P counseling agencies can be found at <http://www.FindEHL P.org> or call toll free 1-855-346-3345 for information about participating agencies in your area.

7. I have questions about completing the worksheet. Is there someone I can talk to?

Yes. A participating EHL P counseling agency will be able to answer your questions. Go to <http://www.FindEHL P.org> or call toll free 1-855-346-3345 to find an EHL P counseling agency near you.

8. Is EHL P available in my state?

EHL P is offered in the following states: Alaska, Arkansas, Colorado, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. EHL P is also offered in Puerto Rico.

Five states have been approved by HUD to directly administer EHL P funds through their respective state programs. These states include Maryland, Delaware, Pennsylvania, Connecticut, and Idaho. Information about the state agencies administering EHL P funds in each of these states is available on HUD.gov: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ehlp/ehlpssimilar

9. EHLP is not offered in my state. What should I do?

Homeowners living in states that do not offer EHL P should consider the following options:

- a. If EHL P is not available in your state, you likely live in one of the states that has received program funds through the U.S. Treasury's Hardest Hit Fund program. Information is available online describing who homeowners can contact for more information in each Hardest Hit Fund state: <http://www.treasury.gov/initiatives/financial-stability/housing-programs/hhf/Pages/default.aspx>.
- b. Contact a foreclosure counselor in your area to discuss your options. You may be eligible for other resources. Visit <http://www.FindAForeclosureCounselor.org> to find a counselor near you.
- c. Determine if your state has a similar mortgage assistance program for unemployed or underemployed homeowners. Visit <http://www.FindEHLP.org> to see what forms of mortgage assistance your state offers.

10. A company offered to assist me, for a fee, with getting EHL P approval. Should I pursue this offer and pay the fee?

No! There is no fee to work with EHL P housing counseling agencies. Any company asking for a fee to assist you in applying for EHL P is probably a scam. EHL P documents will only be accepted by agencies listed on <http://www.FindEHLP.org>.

11. I meet all of the EHL P requirements. Am I guaranteed approval?

No. Interested homeowners will complete an Applicant Screening Worksheet to determine if they may be eligible. As part of the application process, the homeowner **MUST** submit to a participating counseling agency all documents specified in the attached Document Checklist, a signed Third Party Authorization, including a completed Applicant Screening Worksheet by September 15, 2011. Homeowners who don't provide this information risk losing the opportunity to apply for assistance under EHL P, as funds will be disbursed on a first-eligible first-offered basis. Unfortunately, some homeowners will complete an application but not be approved to receive assistance because they do not meet all of the requirements.

12. What should I do if I am not eligible to receive EHL P assistance?

Homeowners that do not receive EHL P emergency assistance may be eligible for other forms of assistance. Contact a foreclosure counselor in your area to discuss your options. Visit <http://www.FindAForeclosureCounselor.org> to find a counselor near you.

13. How does the first-eligible, first-offered process work?

Homeowners must submit a completed Applicant Screening Worksheet, all required documents listed in the Documents for All Applicants checklist and a signed Application Third-Party Authorization. Homeowners who satisfy all the requirements will be entered into the process. Being entered into the process does not guarantee EHL P assistance. During the appointment, homeowners are required to submit the specified documentation to support eligibility. **Review the document checklist.**

14. Can I apply for EHL P if I'm on a trial mortgage modification?

Yes. Homeowners who meet EHL P eligibility requirements can apply for assistance under the EHL P if they currently participate in a trial modification. However, if they are approved for EHL P, they will be exited from the trial modification and their mortgage loan terms will not be permanently modified.

15. If I am approved to receive EHLP assistance, will EHLP pay my entire mortgage?

No. EHLP will only pay a portion of your monthly mortgage, not the entire amount. You are responsible for continuing to pay a portion of your monthly first lien mortgage payment. This homeowner contribution payment will be sent by you to HUD's authorized representative, the Bank of New York Mellon.

16. How much would I pay towards my mortgage payment if I receive EHLP assistance?

HUD will determine the amount of your required monthly homeowner contribution payment. Your homeowner contribution payment will be either 31% of your current monthly income or \$150, whichever amount is greater. For example, if your monthly income is \$1,000, you would contribute \$310 monthly. EHLP assistance will make up the difference between your monthly contribution and the balance of your monthly mortgage payment. If your mortgage is \$900, the EHLP portion would be \$590 after your \$310 contribution.

17. What if my income is below \$450 per month and I have no other means to pay the minimum payment of \$150?

Approved borrowers will be offered counseling after closing. In a very limited set of circumstances, counseling agencies may seek a hardship exemption from HUD that could reduce your minimum payment requirement.

18. Are EHLP mortgage assistance payments made to the homeowner?

No. EHLP monthly assistance payments are NOT made to the homeowner. EHLP mortgage assistance payments will be sent to your servicer each month together with your required monthly homeowner contribution payment. You will send your required monthly homeowner contribution payment to HUD's authorized representative, the Bank of New York Mellon. BNY-Mellon will provide you with a billing statement and payment coupon each month that you receive emergency assistance.

19. My foreclosure sale date is less than 30 days away. Can I still qualify?

No. Those with foreclosure sale dates less than 30 days away will not qualify. You may find a foreclosure counselor at <http://www.FindForeclosureCounselor.org> to discuss other options.

20. If I am approved for EHLP, when will I have to repay the forgivable EHLP loan?

Once your EHLP emergency assistance has ended, no regular monthly payment is due on your EHLP loan. Absent default under the terms of your EHLP loan documents, your outstanding EHLP loan balance will be reduced by 20% each year following the date your assistance ended, and until your outstanding balance reaches \$0 (approximately 5 years after your assistance ended).

Visit <http://www.FindEHLP.org> for more information about the Emergency Homeowners' Loan Program.