

MEMORANDUM

TO: Joint Fiscal Committee
FROM: George Demas, VHFA General Counsel
DATE: July 30, 2021
RE: Homeowner Assistance Fund Update

Since you last met, the Vermont Housing Finance Agency (VHFA) has been gathering data on the needs for assistance with mortgages, utilities, property taxes and other homeowner costs. These estimates will be used to estimate the budget and anticipated need of Homeowner Assistance Funds (HAF) and ultimately will be included in the HAF Plan. We conducted a survey of VT towns to assess the volume of property tax delinquencies, and have been meeting weekly with the Department of Public Service to understand the demand for their Coronavirus Relief Funded (CRF) utility assistance programs. We have held three public hearings to gather input and guidance on what should be included in our HAF programs, and anticipate holding more once a HAF Plan has been drafted.

Unfortunately, other than providing states with some data on mortgage arrearages in Vermont, Treasury has not released any guidance beyond guidance originally released in April. There has been no new guidance to states on what needs to be included in a HAF Plan nor is there a defined timeline for when those will be due or how long it will take for Treasury to turnaround their approval. Treasury extended its original deadline for filing a HAF Plan from June 30th to July 30th, and has now again extended the deadline for submission past July 30th but has not yet announced their new deadline.

In the interest of generating public access to VHFA's thinking on the HAF program design, VHFA posted a Draft Summary of the HAF programs that are being considered as well as proposed income limits:

- https://www.vhfa.org/documents/downloads/vhaf_program_draft-6302021.pdf
- https://www.vhfa.org/documents/draft_vhaf_income_limits_06302021.pdf

Additionally, VHFA posted an RFP for a vendor to develop a website and management system for HAF and received multiple responses from qualified respondents. Staff is finalizing its vetting of these responses and expects to have a recommendation for VHFA Board approval within the coming weeks.

In the meantime, the CARES Act-funded Mortgage Assistance Program has been very active. We received over 580 applications for approximately \$4.7 million for the two months the program was open and available. We are continuing to process those applications, and as of this time we have made payments totaling approximately \$3 million on behalf of 340 households. As a reminder, VHFA updates its dashboard of who has been served by that program with updated information weekly here: [Vermont COVID Emergency Mortgage Assistance Program | VHFA.org - Vermont Housing Finance Agency](#)

From that report you can see that since July of 2020, VHFA has served over 920 homeowners to keep their homes by providing a median of \$6,700. The assistance was spread across the regions of Vermont in relative alignment with population, and we've served households with median annual incomes of about \$36,000. Those served are more likely to be non-white, younger, disabled, and in larger households.