

This Notice of Funding Availability is pending publication in the Federal Register. This notice, when published in the Federal Register, will establish the deadline for submission of applications. No applications should be sent nor will they be accepted prior to publication in the Federal Register.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5454-N-01]

**Emergency Homeowners' Loan Program:
Notice of Allocation of Funding for Substantially Similar State Programs**

AGENCY: Office of Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: The Emergency Homeowners' Loan program, originally authorized by a 1975 statute, was reauthorized and revised by the Dodd-Frank Wall Street Reform and Consumer Protection Act, which also made \$1 billion in funding available for this program. This program, as recently revised, authorizes the Secretary to allow funds to be administered by a state that has an existing program that provides substantially similar assistance to homeowners, as determined by the Secretary.

This notice sets out the key features of HUD's emergency assistance program for homeowners, and solicits applications from states that have programs offering assistance substantially similar to this program.

DEADLINE DATE: The submission deadline date is **[insert date that is 30 days from the date of publication]** (the "Deadline Date"). Information must be submitted to EHLStateFundingProgram@hud.gov, no later than 11:59 am on the Deadline Date.

FOR FURTHER INFORMATION CONTACT: Office of Housing Counseling, Office of Housing, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; telephone number 202-708-0317 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

OVERVIEW INFORMATION:

A. Federal Agency Name: Department of Housing and Urban Development, Office of Emergency Homeowners' Loan Assistance.

B. Funding Opportunity Title: Emergency Homeowners Loan program: Funding of Comparable State Programs.

C. Announcement Type: Initial Announcement.

D. Funding Opportunity Number: The Federal Register number for this notice is FR-5454-N-01.

E. Dates: The Deadline Date is **insert date that is 30 days from the date of publication**.

Information must be submitted to EHLStateFundingProgram@hud.gov, no later than 11:59 am on the Deadline Date.

F. Additional Overview Information:

1. Available Funds. Funds are available to administer existing state programs comparable to the Emergency Homeowners Loan program.

2. Eligible Applicants. States that are included on the attached Schedule A are eligible to apply for funding under this notice provided that they are administering existing programs comparable to the Emergency Homeowners Loan program.

FULL TEXT OF ANNOUNCEMENT**I. Funding Opportunity Description****A. Program Description.**

The Emergency Housing Act of 1975 (12 U.S.C. 2701), signed into law on July 2, 1975, conferred on HUD, through title I of this statute, entitled the "Emergency Homeowners' Relief Act," standby authority to insure or make loans to homeowners to defray mortgage expenses so

as to prevent widespread mortgage foreclosures and distress sales of homes resulting from the temporary loss of employment and income. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, approved July 21, 2010) revised and reauthorized this 1975 statute, and provided \$1 billion to HUD to implement the program authorized by the Emergency Homeowners' Relief Act, referred to by HUD in 2010 as the Emergency Homeowners' Loan program.

B. Authority. Title I (Emergency Homeowners Relief Act) of the Emergency Housing Act of 1975, as amended (12 U.S.C. 2701).

II. Award Information

A. Available Funds. Through this notice, \$1 billion is made available to states in accordance with the state allocations provided in Schedule A, and HUD solicits applications from the states in Schedule A having comparable state programs.¹ The HUD allocation formula in Schedule A targets funds to states based on their population and share of unemployed homeowners with a mortgage. The amounts listed on Schedule A include reasonable administrative costs to administer the assistance made available through the Emergency Homeowners' Loan program.

HUD's Emergency Homeowner Loan program is intended to complement the Department of Treasury's Hardest Hit Fund by providing assistance to homeowners – who are at risk of foreclosure and have experienced a substantial reduction in income due to involuntary unemployment, underemployment, or a medical condition – in states which are not included in the Hardest Hit target states. Through its Hardest Hit Fund, the Department of Treasury is providing targeted support to 18 states and the District of Columbia struggling with the highest

¹ To the extent that a state does not submit information about an existing program that provides substantially similar assistance to homeowners or such submission does not meet the requirements outlined below, the state's allocation described in Schedule A will be administered in that state by the Department of Housing and Urban Development in accordance with HUD's Emergency Homeowners Loan program.

unemployment rates. Together, these two sources of funds form a national effort to help unemployed and underemployed homeowners meet their mortgage obligations.

B. Type of Assistance instrument. Funds will be awarded through a cooperative agreement.

III. Eligibility Information

A. Eligible Applicants. Eligible applicants are states, including the Commonwealth of Puerto Rico, state housing finance agencies, or other nonprofit entity that is state-administered or state-chartered, and over which state has effective control, oversight responsibility and the authority to audit.

B. Eligible State Programs.

A state program that is eligible for funding under the Emergency Homeowners' Loan program is one that meets all of the following conditions:

- 1. State Program.** As provided in Section III.A., the program must be administered directly by the state or must be administered by an agency of the state, or other state-chartered or state-administered entity over which the state has effective control, oversight responsibility and the authority to audit.
- 2. Existing Program.** The program must have been in existence and in operation no later than July 21, 2010. Eligible state programs are those that already have experience, during this current housing crisis, in providing emergency mortgage assistance to homeowners at the risk of foreclosure. States with existing programs must have the capability, readiness and ability to immediately implement, and successfully expend, the assistance made available to it by and through this solicitation.
- 3. Mortgage relief for unemployed or under-employed homeowners.** The program must be one that provides mortgage relief for unemployed or under-employed homeowners, as provided

in Section III.B.6.

4. Open to all homeowners meeting criteria in Section III.B.6. The program is open to all homeowners without regard to race, color, religion, sex, familial status, national origin, or disability, meeting the criteria in section III.B.6.

5. Operation of the program in a cost-effective manner and administrative costs. The program is administered in a cost-effective manner without excessive salary, overhead, or administrative expense and allows for the commencement of application acceptance by December 31, 2010, and obligation of all funds prior to October 1, 2011.

6. Program Requirements.

a. Eligible homeowners. For a state to administer a program comparable to the Emergency Homeowners' Loan program, the state program must provide assistance to a homeowner who must:

i. Reside in the mortgaged property as principal residence. The mortgaged property must also be a single family residence (1- to 4-unit structure or condominium);

ii. Be involuntarily unemployed or under-employed as the result of adverse economic conditions or has suffered a loss of income due to medical conditions, as specified under the state program;

iii. Have, as of the date of application for assistance to the state program, income that is equal to, or less than, 120 percent of the area median income (AMI), for the area in which the homeowner resides and whose income includes wage, salary, and self-employed earnings and income;

iv. Have current, gross income that is at least 15 percent lower than their income previous to the date that the homeowner became unemployed or under-employed, or suffered a

medical condition that resulted in a reduction in income;

v. Be delinquent on payments on the first mortgage on the mortgaged property to such an extent that foreclosure is imminent, and the homeowner and/or lender can provide evidence satisfactory to the state that the foreclosure is imminent (“delinquent” means payments under the mortgage has been delinquent for at least 3 months);

vi. Have a reasonable likelihood of being able to resume repayment of the first mortgage obligations, and meet other housing expenses and debt obligations, when the assistance ends and/or borrower regains full employment, as determined by criteria under the state program.

b. Eligible assistance. For a state to administer a program comparable to the Emergency Homeowners’ Loan program, the state program must provide assistance that meets the following conditions:

i. Assistance provided to the eligible homeowner must be assistance directed at making payments on the first mortgage of the mortgaged property.

ii. The total amount of assistance provided to homeowner(s) for one mortgaged property is limited, with a preference for placing a restriction of 24 months on the duration of assistance and a cap of \$50,000 on the amount of assistance comparable to the limit established by The Dodd-Frank Wall Street Reform and Consumer Protection Act.

c. Repayment Terms. The state program must provide for repayment of the emergency mortgage assistance and provide security for such repayment by recordation of a HUD mortgage as a junior lien on the property. Any and all funds received by the program shall be in accordance with the HUD mortgage document.

d. Termination of Monthly Assistance. The state program must provide for termination of assistance under conditions that include but are not limited to conditions comparable to the

following:

- i. The homeowner no longer resides in, sells, transfers or otherwise conveys, or refinances, in which the borrower draws cash, the mortgaged property; or
- ii. The homeowner defaults on that portion of their current first lien mortgage loan payments for which they remain responsible.

IV. Submission of Information

A. There is no required application form. Eligible jurisdictions should submit information and evidence of the program that is comparable to the Emergency Homeowners' Loan program as specified in this notice. The information submitted must include documentation that the program is a state-administered or state-chartered program as provided in Sections III.B and Section IV.

B. Capacity of Existing Program. As part of its submission:

- Each state must describe information regarding the number and type of homeowners assisted by its program. The number and type of assisted homeowners identified should cover the period beginning with the inception of the state's program and ending on July 21, 2010.
- Each state must also describe in detail the procedures it will use to ensure that it will be able to begin taking applications from homeowners by December 31, 2010, and will obligate its allocation, provided under this notice, by September 30, 2011. Information regarding the number of full-time staff assigned to the states program, including the type, tenure and experience of such staff, and the number of bilingual staff assigned to the program, should be provided. Experience is relevant if it corresponds directly to programs of a similar scale and purpose, for example, real estate or housing finance program experience.

- States also must describe the number of additional staff above and beyond current staffing levels who would need to be hired in order to carry out the HUD portion of the existing state program.

C. Administrative Costs. HUD seeks to ensure that administrative costs incurred by applicants are reasonable and that states are able to implement their homeowner assistance program in a cost-effective manner. As a result, states with comparable programs must demonstrate that they can administer the program without excessive salary, overhead, or administrative expense. Specifically, states should describe the administrative costs incurred in operating its current homeowner assistance program. States should also project the administrative costs incurred to implement the program with HUD assistance made available through Emergency Homeowners' Loan program. Administrative costs include costs related to planning and implementing this program, along with the costs associated with the preparation and submission of HUD reports, etc.

D. Information must be submitted to EHLStateFundingProgram@hud.gov, no later than 11:59 am on the Deadline Date.

E. If there is a discrepancy between any materials published by HUD in this notice and other information provided about the program, the published notice prevails.

V. Nondiscrimination and Civil Rights Requirements. States operating existing programs that provide substantially similar assistance to homeowners are considered recipients of federal assistance, and, therefore, must comply with the following federal requirements:

- **Fair Housing Act** (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 and the regulations at 24 CFR part 107.
- **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d *et seq.*) and implementing

regulations at 24 CFR part 1.

- **The Age Discrimination Act of 1975 (42 U.S.C. 6101-6107)** and implementing regulations at 24 CFR part 146.
- **Recordkeeping.** Recipients will be required to keep beneficiary records and report beneficiary data to HUD based on protected classes in accordance with HUD's regulations in 24 CFR part 121 and other applicable HUD civil rights authorities.

VI. Program Administration

A. Cooperative Agreement

After HUD determines that the state's submission is complete and that the state has an existing program that provides substantially similar assistance to HUD's Emergency Homeowners' Loan program, HUD will execute a cooperative agreement with the state, state housing finance agency, or other nonprofit entity that is state-administered or state-chartered, and over which state has effective control, oversight responsibility and the authority to audit that will administer the Emergency Homeowners' Loan program for the state. The cooperative agreement will include all applicable requirements specific to the Emergency Homeowners' Loan program, federal grant requirements and reporting requirements.

B. Commitment and Expenditure Deadline

The Dodd-Frank Wall Street Reform and Consumer Act provides that no loan or advance of credit shall be insured and no emergency mortgage relief payments made after September 30, 2011, except with respect to mortgagors approved to receive the benefit of a loan or advance insured, or mortgage relief payments on that date. To expedite the use of funds, states administering a program that provides substantially similar assistance will be subject to the following commitment and expenditure deadlines on the grantee's use of funds.

- Obligate not less than 75 percent of grant funded under this notice by July 31, 2011; and
- Demonstrate that it will be able to obligate 100 percent of its funds by September 30, 2011.

The grantee must track and report to HUD on a regular basis its progress in committing and expending Emergency Homeowners' Loan program grant funds.

C. Recapture and Reallocation

If HUD determines in its sole discretion, that a state grantee will not be able to obligate 100 percent of its funds by September 30, 2011, HUD may recapture all or any portion of the state's unobligated funds, and reallocate those funds to states that are able to expend funding for substantially similar programs or HUD's Emergency Homeowners' Loan program.

VI. Other Information

B. Environmental Review. This notice of funding availability does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321)

Dated: November 5, 2010

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David H. Stevens
Assistant Secretary for Housing— Federal
Housing Commissioner

[FR-5454-N-01]

SCHEDULE A

State	Allocation Amount
Texas	\$135,418,959
New York	\$111,649,112
Pennsylvania	\$105,804,905
Massachusetts	\$61,036,001
Washington	\$56,272,599
Minnesota	\$55,848,137
Wisconsin	\$51,540,638
Missouri	\$49,001,729
Virginia	\$46,627,889
Colorado	\$41,286,747
Maryland	\$39,962,270
Connecticut	\$32,946,864
Kansas	\$17,748,782
Arkansas	\$17,736,991
Iowa	\$17,379,343
Louisiana	\$16,691,558
Utah	\$16,577,582
Oklahoma	\$15,575,381
Puerto Rico	\$14,714,668
Idaho	\$13,284,075
New Hampshire	\$12,655,243
New Mexico	\$10,725,515
Maine	\$10,379,657
West Virginia	\$8,339,884
Nebraska	\$8,304,512
Hawaii	\$6,292,250
Delaware	\$6,048,577
Montana	\$5,710,580
Vermont	\$4,830,215
Alaska	\$3,890,898
Wyoming	\$2,346,329
South Dakota	\$2,051,563
North Dakota	\$1,320,547
Total:	\$1,000,000,000