



# Unemployment Mortgage Assistance Program

## 1. Program Overview

The Unemployment Mortgage Assistance (UMA) Program is one of NAHAC's federally-funded programs developed to provide temporary financial assistance to eligible Nevada homeowners who wish to remain in their homes but have suffered a loss of income due to unemployment or underemployment.

NAHAC is partnering with financial institutions to directly provide program funds to subsidize an eligible homeowner's mortgage payment.

UMA provides mortgage payment assistance equal to the lesser of \$3,000 per month or 100% of the PITI (principal, interest, taxes and insurance, as applicable), and any escrowed or non-escrowed homeowner's association dues or assessments, through no later than April 30, 2020, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment.

The assistance may also be used to bring the property mortgage current.

## 2. Program Goals

UMA's goal is to help borrowers remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment or underemployment.

UMA will minimize past-due payments and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.

UMA is designed to assist homeowners who are currently receiving Nevada Department of Employment, Training, and Rehabilitation (DETR) unemployment benefits, and includes homeowners whose unemployment benefits have lapsed or expired within 90 days of the request for UMA assistance.

UMA may complement other loss mitigation programs, including increasing a homeowner's eligibility for an extended written forbearance plan and/or loan modification.

## 3. Target Population/Areas

UMA is targeted at low-to-moderate income homeowners to address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.

## 4. Borrower Eligibility Criteria

- Borrower must be legal U.S. resident or lawful permanent U.S. resident and Nevada resident.
- Homeowner qualifies as low-to-moderate income based on per-household income thresholds not to exceed income limits set forth in program guidelines.
- Homeowner must complete and sign a hardship affidavit/Third Party Authorization to document the reason for the hardship.
- Homeowners who have recently encountered a financial hardship due to unemployment or underemployment, including those whose unemployment hardship is related to their military service.



# Unemployment Mortgage Assistance Program

- Homeowner's total monthly first-lien mortgage payment PITI and escrowed or non-escrowed homeowner's association dues or assessments must exceed 31 percent of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits).
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC.
- Homeowner must be currently receiving Nevada Employment Development Department unemployment benefits and includes homeowners whose unemployment benefits have lapsed or expired within 90 days of the request for UMA assistance.
- General program eligibility is determined by NAHAC based on information received from the homeowner. Program-specific eligibility is determined by NAHAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.

## 5. Property/Loan Eligibility Criteria

- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada, and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the primary mortgage.
- Current unpaid principal balance (which includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage cannot exceed the current GSE loan amount.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.

## 6. Program Exclusions

- Homeowner has a subordinate lien that is in foreclosure as evidenced by a recorded Notice of Default (NOD) or Notice of Trustee's Sale (NOS).
- Homeowner is in active bankruptcy. Homeowners who have previously filed bankruptcy are eligible for consideration only with proof of court order Dismissal or Discharge.
- Homeowner's hardship is a result of voluntary resignation of employment.
- Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.
- Homeowner becomes fully employed at any time during the UMA benefit period.
- Homeowner is actively being reviewed for a short sale, or a deed in lieu and/or TAP benefits.



# Unemployment Mortgage Assistance Program

- Property is subject to a first-priority lien securing a Home Equity Line of Credit (HELOC).

- 7. Structure of Assistance** NAHAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (NAHAC) secured by a junior lien recorded against the property in the amount of the total reduced PITI and any escrowed or non-escrowed homeowner's association dues or assessments, and equal to the total amount of HHF unemployment assistance. At the conclusion of five (5) years, the subordinate loan will be released. There is no pro-rated forgiveness for this loan. Loan funds will only be repaid to Eligible Entity (NAHAC) in the event of a sale or a refinance that includes cash out and there are equity proceeds available prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance in accordance with the Agreement.
- 8. Per Household Assistance** Up to \$54,000 per household in total (average funding of \$13,674), equaling the lesser of \$3,000 per month or 100% of PITI (principal, interest, taxes and insurance, as applicable) and any escrowed or non-escrowed homeowner's association dues or assessments (and in all cases, subject to the HHF program maximum benefit cap of \$100,000 with respect to monies previously received under other HHF programs, if any).
- 9. Duration of Assistance** Homeowner participation in UMA can continue through no later than April 30, 2020.
- 10. Estimated Number of Participating Households** Approximately 5,249. This figure is based on loans with unpaid principal balances ranging from \$100,000 to \$300,000 with an average funding of \$8,200.
- 11. Program Inception/ Duration** This program began March 1, 2010, and it will continue until all funds are committed or December 31, 2020, whichever comes first.
- 12. Program Interactions with Other HFA Programs** Other HFA program benefits may be available to the homeowner provided the HHF program maximum benefit cap of \$100,000 has not been exceeded and program funds are available. The homeowner is required to apply separately for each HFA program.
- 13. Program Interactions with HAMP** UMA may work in conjunction with aspects of the Making Home Affordable Program to help eligible borrowers achieve desired housing debt-to-income ratios, permanent affordability and establish an appropriate level of mortgage debt.
- 14. Program Leverage with Other Financial Resources** Upon completion of all UMA benefit assistance payments and based on borrower need, the servicer agrees to consider an extension of any foreclosure prevention program, as applicable and per investor guidelines.

NAHAC will require that the servicer waive fees (e.g., NSF and late charges).