



# NEVADA HOMEOWNER ASSISTANCE FUND

NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

## ANNUAL REPORT 2022



Reporting period: November 15, 2021, thru September 30, 2022

Provided to United States Department of the Treasury

This report is a high-level overview of Nevada's HAF Plan and actual use of HAF funds in response to the pandemic and economic recovery.

## **Background**

The American Rescue Plan Act (ARP) of 2021 provided \$9.9 billion nationwide for the Homeowner Assistance Fund (HAF) to mitigate financial hardships associated with the COVID-19 pandemic to prevent homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities, home energy services, and displacements. **The United States Department of the Treasury (Treasury) awarded Nevada approximately \$121 million** to fund the Nevada HAF program. The Nevada Housing Division (NHD), a division of the State of Nevada Department of Business & Industry (Business and Industry), was chosen by Treasury as the State Housing Finance Agency (HFA). NHD selected Nevada Affordable Housing Assistance Corporation (NAHAC) to administer the Nevada HAF program.

Treasury provided 10% of the state's total allocation, and on August 30, 2021, NHD entered into an agreement with NAHAC to acquire staff, and design, develop, and implement systems, procedures, and program requirements needed to begin operations under this new program in short order. Two pilot programs were rolled out in November 2021: the Unemployment Mortgage Assistance (UMA) program and the Mortgage Reinstatement Assistance Program (MRAP). These programs were designed to help homeowners who were affected by COVID-19 and experienced a related financial hardship. Treasury formally approved Nevada's HAF Plan in January 2022 and provided the remaining allocation to the state.

## **Program Overview and Changes**

The Nevada HAF Programs and outcomes are continuously evaluated to identify homeownership retention needs in Nevada. The UMA program provides 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. At least one homeowner must have experienced involuntary job loss that occurred on or after January 21, 2020 due to the pandemic, and must be unemployed at time of the application review. The program will assist the household with up to \$3,000 per month

## Highlights At A Glance

**\$5,463,567**  
Funded Applications

**296**  
Homeowners Assisted

**97%**  
AMI/NMI < 100%

**92%**  
Socially Disadvantaged

**575**  
Applicants in Pipeline

**97%**  
FHA, VA, USDA or GSE

of forward payments until the homeowner regains employment for up to 12 months. The assistance will also include reinstatement of the delinquent first mortgage loan, non-escrowed taxes, Homeowners Association (HOA) fees, and homeowner's insurance.

MRAP provides reinstatement assistance to income qualified eligible Nevada homeowners in default who have experienced a financial hardship on or after January 21, 2020 due to the pandemic, and the hardship has ended and the homeowner is able to sustain the monthly mortgage payment going forward. Prior to recent changes, assistance covered reinstatement of the mortgage and/or housing related expenses, such as property taxes, homeowner's insurance and/or homeowner association dues of up to \$35,000 per household.

Denial reasons are continuously analyzed to warrant workable program changes. The focus of program changes is on increasing participation and addressing barriers that may prevent file approval. During the reporting year, the most prevalent denial reasons listed below were analyzed.

Top four reasons for denial:

1. Affordability – 28% of applicants exceeded the Housing to Income cap.
2. Balance Exceeded Program Cap – 17% of applicants had a balance that exceeded the MRAP program maximum (\$35,000).
3. Unemployment benefits exhausted more than 90 days from the date of application.
4. Loss Mitigation Option – 23% of homeowners received a loss mitigation option that reinstated the loan, which is now in good standing.

The following program changes were implemented in August 2022 to address denial reasons #1-3. Denial reason #4 is considered resolved, since in the situation of the loss mitigation option, the servicer has cured the delinquency.

A. UMA Changes

1. Elimination of “unemployment benefits exhausted within 90 days from application date.” Homeowners may now qualify for UMA if they are unemployed at the time of application and have collected unemployment benefits on or after January 21, 2020, up through application date.

B. MRAP Changes

1. Increase of reinstatement component maximum from \$35,000 to \$50,000. Homeowners may now qualify for the MRAP maximum amount of up to \$50,000.



2. Principal Reduction (Recast)– This new component may include up to an additional \$50,000 for principal reduction to recast eligible mortgage loans to achieve an affordable payment. Most program participation includes a 3-year lien; however, this component includes a 5-year lien.
3. Program maximum variance/increase of 10% - The program maximum will be set at \$50,000 for either component (reinstatement or recast) and may include an additional \$5,000 if needed.

## **Community Engagement**

Nevada’s approach to meeting the needs of the community is to work with community partners comprising of NHD, HUD approved Housing Counseling Agencies (HCAs), elected officials, and servicers to reach targeted homeowners. Through a Memorandum of Understanding, Nevada works with Legal Aid Center of Southern Nevada to provide legal assistance to homeowners who have been impacted by COVID-19. Legal Aid Center of Southern Nevada also makes referrals to Nevada HAF. In addition, Nevada contracted with four HCAs: Chicanos Por La Causa (CPLC), Community Services of Nevada (CSNV), Neighborhood Housing Services of Southern Nevada (NHSSN), and Nevada Partners, Inc. (NPI). Together, numerous community events have been held in targeted areas to allow easy access to information regarding HAF. Printed materials were distributed at these events, and hands-on assistance with the online application process was offered. Below is a chart that includes the total number of events held by HCAs during this reporting period.

HCA Educational Workshops and Outreach Events	APR	MAY	JUN	JUL	AUG	SEP	Total
Chicanos Por La Causa (CPLC)	0	4	3	5	3	4	19
Community Services of Nevada (CSNV)	3	1	4	8	5	5	26
Neighborhood Housing Services of Southern Nevada (NHSSN)	2	3	5	5	5	5	25
Nevada Partners, Inc. (NPI)	5	6	4	5	4	5	29
<b>Total</b>	<b>10</b>	<b>14</b>	<b>16</b>	<b>23</b>	<b>17</b>	<b>19</b>	<b>99</b>

Nevada has also hosted several servicer roundtables and collaborates regularly with servicers on events, marketing and strategies to disseminate information to homeowners that may qualify for HAF assistance. Currently, Nevada’s Top 3 Servicers for funded files, response time, and ease of working together are Freedom Mortgage, Mr. Cooper, and US Bank.

Additionally, Nevada participates in the Southern Nevada Regional Housing Authority’s Program Coordinating Committee (PCC) meeting. This meeting is held quarterly with local providers serving community members with significant barriers to housing related services.





## **Methods for Targeting HAF Funding**

Nevada developed a marketing and public relations plan early in the implementation of HAF. The plan includes television, radio and streaming commercials, as well as social media, outreach events, and testimonials from homeowners. Marketing efforts have been targeted toward both Socially Disadvantaged Individuals (SDI)<sup>1</sup> and those homeowners with income less than or equal to 100 percent of the Area Median Income (AMI) or less than 100 percent of the United States National Median Income (NMI).



- Approximately 80 percent of homeowners served either live in a majority-minority census tract and/or have self-identified as socially disadvantaged.
- Approximately 97 percent of the applications had household incomes that met Treasury's targeted requirement of earning less than 100 percent of the AMI/NMI.



Media campaigns are in English, Spanish, and Tagalog, which are the most-common languages spoken as primary languages in households in Nevada according to the United States Census Bureau<sup>2</sup>. HCA partners are located in communities with a larger non-English speaking population, which helps to further reach identified households. Also, Nevada HAF employs bi-lingual staff who speak English, Spanish and Tagalog.

In September 2022, U.S. Bureau of Labor Statistics reported Nevada's unemployment rate at 4.4 percent<sup>3</sup>, which places Nevada in the top 10 highest unemployment states. In an effort to reach the targeted population, Nevada is working with local organizations that provide employment training programs, including HELP of Southern Nevada, Nevada Partners, and Chicanos Por La Causa. Nevada has also partnered with the Department of Employment Training and Rehabilitation (DETR). As standard operating

<sup>1</sup> Socially disadvantaged homeowners are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the state's jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment may include being a 1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society 2) resident of a majority-minority Census tract 3) individual with limited English proficiency 4) resident of a U.S. territory, Indian reservation, or Hawaiian Home Land, or 5) individual who lives in a persistent-poverty county. In addition, an individual may be determined to be socially disadvantaged by a process developed by the state in accordance with applicable law, which may reasonably rely on self-attestations

<sup>2</sup> <https://datausa.io/profile/geo/nevada#demographics>

<sup>3</sup> <https://www.bls.gov/web/laus/laumstrk.htm>

procedure, Nevada will continuously assess the housing needs of Nevadans and methods used to target those homeowners needing HAF assistance.

Other significant marketing efforts involve digital marketing and social media, which allowed Nevada to be able to reach and engage with eligible applicants. With nearly 7 million impressions and over 6,000 clicks, advertising and outreach efforts for Nevada HAF program in 2022 have been extremely effective. Advertising channels included:

1. Paid Search
2. Paid Social
3. Digital Display
4. Native Advertising
5. Connected TV
6. Streaming Audio

Each channel served a different function within the marketing funnel from brand awareness, to continued engagement, through to conversion (applications).

Information about who can qualify for HAF and how to apply has been shared on Facebook and Twitter since December 2021. In that time, the audience has grown by 576 followers, with a total audience of 556 users. Facebook is the most effective channel with the largest reach amongst the target audience. With posts that include useful information, testimonials from those helped by HAF and selected posts translated into Spanish and Tagalog, Nevada served 7,212 impressions over both channels. A strong engagement rate of 3.2% shows that this mix of content was well received by the social media audience.

### **Performance Goals**

The main goals for the Nevada HAF are to reduce mortgage delinquency among the targeted population, and to disburse allocated funds timely and within Treasury outlined guidelines. The following describes the use of program related funds per program, highlighting the two largest Nevada counties (Clark and Washoe), which is where the bulk of program funds were expended.

MRAP – Between Clark County and Washoe County approximately \$4.5 million was expended under MRAP. Clark County households in the amount of 294 received approximately \$4.2 million in funding; and 25 Washoe households received approximately \$350,000 in funding.

UMA - Approximately \$674,000 has been expended under UMA for the two counties mentioned above. An additional \$2.1 million is currently committed for future monthly UMA disbursements. There were 206 Clark County households that received approximately \$632,000, and 11 Washoe County households received approximately \$42,000 in funding.

It should be noted that actual fundings began in May 2022 with a first month total funding of \$783,000. The funding levels are now rapidly approaching the monthly estimated funding levels identified in the Nevada HAF Plan for FY22 and has exceeded the monthly average number of households assisted. The increase in program funding of over 300 percent is attributed to recent program changes, a robust media plan, community partnerships and continuous assessment of program performance.

**Table 1<sup>4</sup>** includes the total benefits provided to eligible homeowners based on program types and concentrations of household AMI/NMI and socially disadvantaged individuals.

<b>HAF Program Details By Program Type - Non-Unique Homeowner Transactions</b>				
<b>Program Name</b>	<b># Homeowners Assisted</b>	<b>Amount</b>	<b>AMI / NMI &lt;100%</b>	<b>Socially Disadvantaged</b>
Mortgage Reinstatement	332	\$ 4,775,761	320	311
Unemployment Mortgage Assistance	222	\$ 687,806	220	201
<b>Total</b>	<b>554</b>	<b>\$ 5,463,567</b>	<b>540</b>	<b>512</b>

**Table 2<sup>5</sup>** includes the total benefits provided to eligible homeowners by County based on program types and concentrations of household AMI/NMI and socially disadvantaged individuals.

<b>HAF Program Details By Program Type and County - Non-Unique Homeowner Transactions</b>					
<b>Property County</b>	<b>Program Name</b>	<b># Homeowners Assisted</b>	<b>Amount</b>	<b>AMI / NMI &lt;100%</b>	<b>Socially Disadvantaged</b>
Carson City	Mortgage Reinstatement	3	\$ 118,366	3	3
Churchill	Mortgage Reinstatement	2	\$ 22,677	2	2
Clark	Mortgage Reinstatement	294	\$ 4,179,560	283	273
Elko	Mortgage Reinstatement	3	\$ 37,915	3	3
Lyon	Mortgage Reinstatement	3	\$ 35,801	3	3
Nye	Mortgage Reinstatement	2	\$ 31,425	2	2
Washoe	Mortgage Reinstatement	25	\$ 350,017	24	25
Carson City	Unemployment Mortgage Assistance	1	\$ 4,117	1	1
Clark	Unemployment Mortgage Assistance	206	\$ 632,349	204	186
Elko	Unemployment Mortgage Assistance	1	\$ 1,734	1	1
Lyon	Unemployment Mortgage Assistance	2	\$ 3,823	2	2
Nye	Unemployment Mortgage Assistance	1	\$ 3,674	1	1
Washoe	Unemployment Mortgage Assistance	11	\$ 42,109	11	10
<b>Total</b>		<b>554</b>	<b>\$ 5,463,567</b>	<b>540</b>	<b>512</b>

<sup>4</sup> Homeowners listed may have received benefits under both MRAP and UMA

<sup>5</sup> Homeowners listed may have received benefits under both MRAP and UMA

**Table 3<sup>6</sup>** includes total benefits provided to eligible homeowners based on mortgage type, such as FHA, VA, USDA, GSE, and other.

<b>HAF Program Details By Mortgage Type</b>				
<b>Loan: Mortgage Type</b>	<b># Homeowners</b>	<b># Socially Disadvantaged Homeowners</b>	<b>% Socially Disadvantaged Homeowners</b>	<b>Amount Funded</b>
FHA	128	121	95%	\$ 2,148,517
VA	27	26	96%	\$ 664,829
USDA	1	1	100%	\$ 17,527
GSE	130	121	93%	\$ 2,427,913
Other	9	7	78%	\$ 201,855
<b>Total</b>	<b>295</b>	<b>276</b>	<b>92%</b>	<b>\$ 5,460,643</b>

Almost 97 percent of homeowners who received assistance under UMA and MRAP have FHA, VA, USDA, and GSE loans (FHA 43%, USDA 0.34%, VA 9.2%, and GSE 44%). Approximately, 92% of the homeowners met one or more of the Socially Disadvantaged Individual (SDI) categories. Overall, 97% of homeowners earned less than 100% of Area Median Income/US National Median Income.

**Table 4** includes the benefits provided to unique homeowners by SDI type.

<b>Unique Socially Disadvantaged Type</b>	<b># Unique Homeowners</b>
Race and Ethnicity	182
English Not Primary Language	2
Majority-Minority Census Tract	93
<b>Total Unique SDI Homeowners</b>	<b>277</b>

### **Best Practices and Coordination with Other HAF Participants**

By using a continuous improvement model, Nevada strives to help as many homeowners as possible by relying on metrics and program performance. Additionally, there is a close partnership with other state programs and servicers. Although Nevada does not directly work with investors or state or local agencies that hold mortgage portfolios, best practices are developed through direct coordination with servicers to come up with creative solutions to assist homeowners with mortgage related delinquencies, principal reduction, and forward payments. To date, Nevada has partnered with 81 mortgage servicers to service Nevada homeowners affected financially by the COVID-19 pandemic. Nevada has also participated in regular calls and meetings with the National Council of State Housing Agencies (NCSHA), other state HAF programs, State Housing Finance Agencies, and servicers to develop the Common Data File (CDF) protocol, and to share up-to-date information and best practices. Various servicer roundtables were held to discuss development, implementation, and program changes of the Nevada HAF Plan and program changes. Most recently, Nevada collaborated with a group of mortgage servicers to hold a webinar for distressed homeowners. Homeowners were able to ask questions and learn how to complete an application through a short video tutorial.

<sup>6</sup> Table excludes assistance provided to homeowners on standalone housing related expenses such as taxes, homeowner's insurance, & HOAs.



## **Conclusion**

The Homeowner Assistance Fund has helped many Nevadans avoid foreclosure and stay in their homes. Although this report represents funding for the performing period of November 2021 through September 2022, file fundings only began in May 2022. Considering 5 months of funding, Nevada quickly recognized the need to modify its programs and add components to better meet homeowner needs. Nevada will continue to monitor housing market trends and evaluate program outcomes to ensure eligible homeowners that have been negatively impacted by the COVID-19 pandemic are assisted with HAF funds.

Nevada shares the success of HAF with its partners, the United States Department of the Treasury, Nevada Housing Division, NAHAC, Chicanos Por La Causa, Community Services of Nevada, Neighborhood Housing Services of Southern Nevada, Nevada Partners, Inc., Legal Aid Center of Southern Nevada, National Coalition of State Housing Agencies, and participating Servicers. Nevada will continue to foster the relationships that aid in the evolution and development of Nevada HAF programs.

