

U.S. Department of Treasury Homeowner Assistance Fund

West Virginia Homeowner's Rescue Program

Annual Report

September 30, 2022

HAF Annual Reporting Narratives and Notes

Methods for Targeting

As the largest loan servicer in WV, the WVHDF loan servicing department provides mailers and makes direct phone contact with delinquent borrowers promoting the HAF program. The Governor mentions the HAF program consistently during weekly press briefings. At initial launch, the WVHDF ran statewide TV ads. Further promotion is provided through social media, press releases, and media interviews. WVHDF has contracted with HUD approved housing counselors. Program information has been provided to all housing partners across the state and promoted at the state-wide housing conference and through email to housing, government, and community organizations. SDI individuals have been targeted through the above channels as well as through targeted community organizations. Special newspaper ads were placed in WV's 13 persistent poverty counties. It should be noted WV lacks diversity with 93.1% of its population identifying as white. Spanish translated information was provided to Spanish speaking churches and program information was provided to African American church groups and leaders.

Despite the continued outreach, overall program applications have been slower than anticipated overall, particularly seeking mortgage reinstatement or assistance. However, outreach to SDI groups seems to be successful. During program development, data showed that while only 6.9% of WV identified as minorities, these groups made up 9.4% of delinquencies. As of the reporting date, 10% of paid applications have been to minority groups. 15% of paid applications have been to applicants in persistent poverty counties. The WVHDF will continue outreach and is considering modifications to program parameters to encourage more applicants.

Is the targeting plan achieving desired results?

No

The targeting plan is achieving desired results relating to SDI groups. The WVHDF believes reducing the delinquency requirement may reach more borrowers needing assistance. We believe borrowers are aware of the program but not applying because they have not met the 90-day delinquency threshold. Also, we are encouraging other loan servicers to increase outreach to their mortgage portfolios. Once the proposed program changes are implemented, the WVHDF will be issuing press releases, scheduling media interviews, and participating in the Governor's weekly briefings to promote the changes.

Best Practices and Coordination

Coordination with FHA, VA, USDA, GSEs, state and local mortgage agencies?

Yes – The HAF program is discussed monthly during FNMA check-in calls. Also, the WVHDF is the largest loan servicer in the State with emphasis on low to moderate income borrowers. This allows for direct contact and outreach to targeted borrowers across the state including all government and GSE mortgages.

Have you coordinated with servicers?

Yes - During onboarding with other servicers, staff review the program and ask that lenders/servicers provide information regarding the program. Staff also participates in national calls with loan servicers regarding the HAF program.

Performance Goals Annual Report 9-30-2022

Program Element		Assumptions	Estimated Applicants	Estimated Assistanace	Budget	Metrics of Success	HAF Plan Goals	Paid as of 9/30/22	Applicants	Goal Met per Unit	Narrative
Internet		Internet Stipend limited to \$300. Assume all applicants will request the stipend.	2700	\$ 300	\$ 810,000	Provide assistance to all eligible homeowner applicants for internet service.	Provide assistance to 2700 households 1080 in 2022, 810 in 2023, 540 in 2024 and 270 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 336,367.79	1116	103%	103% goal met for the period. Most applicants are requesting the internet stipend.
DPA Loans		The HDF has 262 qualifying delinquent DPA Loans with average delinquency of \$1000. Because the WVHDF originates the vast majority of DPA loans statewide, this is assumed to be the largest qualifying pool of DPA loans. Assume total state delinquency of 300 loans. Limit assistance to \$500 per applicant.	300	\$ 500	\$ 150,000	Reduce or eliminate second lien DPA loan delinquencies for eligible applicant homeowners	Provide assistance to 300 households with 120 in 2022, 90 in 2023, 60 in 2024 and 30 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 9,596.57	26	22%	22% of goal met for the period. The WVHDF is a large government provider of DPA loans and continues to promote the program to its delinquent borrowers through mail and direct phone contact. Borrowers have expressed little interest in pursuing the assistance. WVHDF is reviewing potential modifications to the Term Sheet relating to this budget item.
Utilities		Based on ERA1, average utility assistance is \$768 with maximums of up to \$4k. Assume that homeowner utilities will be somewhat higher than renter households and that all applicants will not request max assistance available.	2700	\$ 1,800	\$ 4,860,000	Reduce threat of utility loss to promote livability	Provide assistance to 2700 households with 1080 in 2022, 810 in 2023, 540 in 2024 and 270 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 1,794,750.45	2173	201%	201% of goal met for the period. Delinquent utility assistance is a popular provision of the HAF program, with the vast majority of applicants requesting help.
Mortgage Reinstatement		Information provided by WV loan servicers indicates the average reinstatement amt was \$9189 in June when data was collected. Assume average request will be \$10K. As part of reinstatement program these amounts include taxes and insurance and other escrow items. Number of delinquent loans reported was 2151.	2100	\$ 10,000	\$ 21,000,000	Reinstate mortgage delinquency to reduce housing instability and provide path forward to take full advantage of all loan modifications if needed.	Provide assistance to 2100 households with 840 in 2022, 630 in 2023, 420 in 2024 and 210 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 4,499,573.11	744	89%	89% of goal met for the period. Participation by eligible borrowers has been surprisingly slow. WVHDF is reviewing potential modifications to the Term Sheet relating to this budget item.
Mortgage Assistance		Information provided by WV loan servicers, average monthly payment is \$910. Assume that 50% delinquent mortgage loans will request on-going assistance payments for 6 months at \$900/month.	1050	\$ 5,400	\$ 5,670,000	Provide housing stability for those needing on-going assistance and time to work with loan servicers.	Provide assistance to 1050 households with 420 in 2022, 315 in 2023, 210 in 2024 and 105 in 2025. Goal assumes most assistance will occur in first two years of program.				The WV Homeowner Rescue portal makes no distinction in reporting on-going mortgage assistance from mortgage reinstatement. All applicants receiving either type of mortgage assistance are included in the mortgage reinstatement line item. The WVHDF will be adjusting the budget going forward.
Real Property Tax		Representative tax bill for section of Kanawha Co. is \$1800. This represents a reasonable state average. These estimates do no include those in reinstatement program	2000	\$ 1,800	\$ 3,600,000	Eliminate tax delinquencies for homeowners to reduce risk of home loss	Provide assistance to 2000 households with 800 in 2022, 600 in 2023, 400 in 2024 and 200 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 431,505.72	511	64%	64% of goal met for the period. This has been a successful component of the HAF program and multiple properties have been paid current preventing eminent tax possession. The WVHDF will continue promoting program element through county Sherriff associations.
Property Insurance		Property insurance included both hazard and flood insurance. Average flood insurance in the WVHDF portfolio is \$1105 and average hazard insurances is \$942. Total of \$2000 will be used for property insurance	2000	\$ 2,000	\$ 4,000,000	Ensure continued insurance coverage for at risk households	Provide assistance to 2000 households with 800 in 2022, 600 in 2023, 400 in 2024 and 200 in 2025. Project assumes most assistance will occur in first two years of program.	\$ 10,122.84	29	4%	4% of goal met for the period. This budget line item covers only delinquent insurance for those whose insurance is not covered as T&I in their mortgage payments. Need for this type of assistance may be less than initial estimates. The WVHDF is considering adjustments to this line item budget.
HOA Fees		HOA fees are not common in West Virginia. Based on local averages assume limited number of requests for this type of assistance.	500	\$ 750	\$ 375,000	Eliminate delinquent HOA fees for at risk households	Provide assistance to 500 households with 200 in 2022, 150 in 2023, 100 in 2024 and 50 in 2025. Goal assumes most assistance will occur in first two years of program.	\$ 64,471.38	37	19%	19% of goal met for the period. Need for this type of assistance may be less than initial estimates. Condo and HOA fees are not as common in WV as other states. Outreach to HOA groups was met with tepid enthusiasm.
Housing Counseling		HUD Approved Counseling			\$ 1,785,000			\$ 22,623.24	55		HBC agencies have counseled 55 homeowners.
Foreclosure Prevention		Legal Aid Services			\$ 250,000						Legal aid organizations not participating
Total Budget					\$ 42,500,000			\$ 7,169,011.10			