

What Do Homeowners Want to Know? Top Questions About EHLP.

1. What is the Emergency Homeowners' Loan Program?

The Emergency Homeowners' Loan Program (EHLP) was created to provide emergency mortgage assistance to homeowners who are temporarily and involuntarily unemployed or underemployed due to the economy or a medical condition and are at risk of foreclosure. The Dodd-Frank Wall Street Reform and Consumer Protection Act provided \$1 billion to the U.S. Department of Housing and Urban Development (HUD) to develop EHLP.

2. How can the Emergency Homeowners' Loan Program help me?

The Emergency Homeowners' Loan Program (EHLP) can provide eligible homeowners with a 0% interest, forgivable loan that pays past-due mortgage payments (principal, interest, taxes, insurance, attorney fees), as well as a portion of the homeowner's mortgage payment for up to 24 consecutive months, or up to \$50,000, whichever comes first, and provided that certain eligibility requirements are maintained.

3. How do I qualify for EHLP?

To be eligible to receive EHLP emergency assistance, a homeowner must meet certain conditions, including but not limited to:

- a. Own fee simple title to the mortgaged property; property must be a single-family (1-4 unit), condominium, or cooperative.
- b. Involuntary unemployment or underemployment due to the economy or a medical condition
- c. Current income at least 15% less than it was in 2009.
- d. At least 90 days delinquent on your mortgage.
- e. Have received a written notice from your mortgage lender/servicer indicating that you are delinquent on your first mortgage payments ("Breach Letter").
- f. Combined 2009 adjusted gross income of all persons named on your first lien mortgage documents is less-than-or-equal- to \$75,000 or 120% of the Area Median Income for a household of four (4) persons, as determined by HUD (<http://www.huduser.org/portal/EHLP/index.html>) .
- g. The mortgaged property must be your principal residence.
- h. Everyone named on your first lien mortgage documents must be a U.S. citizen, U.S. non-citizen national, or qualified alien.
- i. You are not currently in bankruptcy (personal or business). Borrowers that exit bankruptcy prior to submitting a full application are eligible.
- j. Have no more than two open liens on your home.
- k. Have no Federal tax lien.
- l. Not delinquent on any federal debt, including federal student loans. Note that if you are delinquent on a federal student loan if you obtain a deferment, forbearance, or another form of

debt relief prior to submitting a full application you are not delinquent on federal debt. See: <http://studentaid.ed.gov/PORTALSWebApp/students/english/difficulty.jsp>

- m. History of good payment on your mortgage prior to your reduction in income. Specifically, not 60 days late more than one time on your first and/or second mortgage in the 24 months immediately before you became unemployed or underemployed.
- n. Have flood insurance if your home is in a flood zone.

4. When can I apply for EHL P?

June 20, 2011 is when homeowners can start submitting the Pre-Applicant Screening Worksheet. Act fast! The deadline for worksheet submission is **July 22, 2011**.

5. How do I apply for EHL P assistance?

The first step is to get a copy of the Pre-Applicant Screening Worksheet. Worksheets are available online at <http://www.FindEHL P.org> as well as from nonprofit housing counseling agencies participating in the EHL P program. You can submit the completed worksheet to an EHL P counseling agency in person, via fax or email. The deadline for worksheet submission is **July 22, 2011**.

6. Where can I find the EHL P counseling agencies?

Participating EHL P counseling agencies can be found at <http://www.FindEHL P.org> or call toll free 855-346-3345 for information about participating agencies in your area.

7. I have questions about completing the worksheet. Is there someone I can talk to?

Yes. A participating EHL P counseling agency will be able to answer your questions. Go to <http://www.FindEHL P.org> or call toll free 1-855-346-3345 to find an EHL P counseling agency near you.

8. Is EHL P available in my state?

EHL P is offered in the following states: Alaska, Arkansas, Colorado, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. EHL P is also offered in Puerto Rico.

9. EHL P is not offered in my state. What should I do?

Homeowners living in states that do not offer EHL P should consider the following options:

- a. If EHL P is not available in your state, you likely live in one of the states that has received program funds through the U.S. Treasury's Hardest Hit Fund program. Information is

available online describing who homeowners can contact for more information in each Hardest Hit Fund state: <http://www.treasury.gov/initiatives/financial-stability/housing-programs/hhf/Pages/default.aspx>.

- b. Five states have been approved by HUD to directly administer EHLF funds through their respective state programs. These states include Maryland, Delaware, Pennsylvania, Connecticut, and Idaho. Information about the state agencies administering EHLF funds in each of these states is available on HUD.gov: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ehlp/ehlp/similar,
- c. Contact a foreclosure counselor in your area to discuss your options. You may be eligible for other resources. Visit <http://www.FindAForeclosureCounselor.org> to find a counselor near you.
- d. Determine if your state has a similar mortgage assistance program for unemployed or underemployed homeowners. Visit <http://www.FindAForeclosureCounselor.org> to see what forms of mortgage assistance your state offers.

10. A company offered to assist me, for a fee, with getting EHLF approval. Should I pursue this offer and pay the fee?

No! There is no fee to work with EHLF housing counseling agencies. Any company asking for a fee to assist you in applying for EHLF is probably a scam. EHLF documents will only be accepted by agencies listed on <http://www.FindEHLF.org>.

11. I meet all of the EHLF requirements. Am I guaranteed approval?

No. Due to expected high demand, interested homeowners will complete a Pre-Applicant Screening Worksheet first. If there are more potentially eligible pre-applicants than funding available, the worksheets will be entered into a lottery. Homeowners will be randomly selected through the lottery and invited to apply for EHLF. Unfortunately, some qualified homeowners will not be selected and some will complete an application but not be approved to receive assistance.

12. What should I do if I am not eligible to receive EHLF assistance or I am not selected from the randomized pool of eligible Pre-Applicants?

Homeowners that do not receive EHLF emergency assistance may be eligible for other forms of assistance. Contact a foreclosure counselor in your area to discuss your options. Visit <http://www.FindAForeclosureCounselor.org> to find a counselor near you.

13. How does the lottery work?

Homeowners will submit Pre-Applicant Screening Worksheets to EHLF counseling agencies during an **Open Enrollment Period, June 20 to July 22, 2011**. Homeowners who meet the screening criteria will be entered in a random lottery. Those who are selected through the lottery

will be called by their local EHLP housing counseling agency to schedule an appointment to complete the EHLP application packet. Selection in the lottery does not guarantee EHLP assistance. During the appointment, homeowners will be required to submit the specified documentation to support eligibility. **Review the document checklist.**

14. When will I be notified if I was selected in the lottery?

Homeowners will be notified if they were selected in the lottery no later than **August 15, 2011.**

15. Can I apply for EHLP if I'm on a trial mortgage modification?

No. Homeowners cannot receive assistance under the EHLP while simultaneously participating in another mortgage assistance program.

16. If I am approved to receive EHLP assistance, will EHLP pay my entire mortgage?

No. EHLP will only pay a portion of your monthly mortgage, not the entire amount. You are responsible for continuing to pay a portion of your monthly first lien mortgage payment. This homeowner contribution payment will be sent by you to HUD's authorized representative, the Bank of New York Mellon.

17. How much would I pay towards my mortgage payment if I receive EHLP assistance?

HUD will determine the amount of your required monthly homeowner contribution payment. Your homeowner contribution payment will be either 31% of your current monthly income or \$150, whichever amount is greater. For example, if your monthly income is \$1,000, you would contribute \$310 monthly. EHLP assistance will make up the difference between your monthly contribution and the balance of your monthly mortgage payment. If your mortgage is \$900, the EHLP portion would be \$590 after your \$310 contribution.

18. What if my income is below \$450 per month and I have no other means to pay the minimum payment of \$150?

Approved borrowers will be offered counseling after closing. In a very limited set of circumstances, counseling agencies may seek a hardship exemption from HUD that could reduce your minimum payment requirement.

19. Are EHLP mortgage assistance payments made to the homeowner?

No. EHLP monthly assistance payments are NOT made to the homeowner. EHLP mortgage assistance payments will be sent to your servicer each month together with your required monthly homeowner contribution payment. You will send your required monthly homeowner contribution

payment to HUD's authorized representative, the Bank of New York Mellon. BNY-Mellon will provide you with a billing statement and payment coupon each month that you receive emergency assistance.

20. My foreclosure sale date is less than 30 days away. Can I still qualify?

No. Those with foreclosure sale dates less than 30 days away will not qualify. You may find a foreclosure counselor at <http://www.FindaForeclosureCounselor.org> to discuss other options.

21. If I am approved for EHLF, when will I have to repay the forgivable EHLF loan?

Once your EHLF emergency assistance has ended, no regular monthly payment is due on your EHLF loan. Absent default under the terms of your EHLF loan documents, your outstanding EHLF loan balance will be reduced by 20% each year following the date your assistance ended, and until your outstanding balance reaches \$0 (approximately 5 years after your assistance ended).

Visit <http://www.FindEHLF.org> for more information about the Emergency Homeowners' Loan Program.