

CONFIRMATION OF FACE-TO-FACE MEETING

DATE: _____

TO: _____

FROM: NHS of Lackawanna County
709 East Market Street
Scranton, Pa 18509

This is to confirm your appointment in our office on _____, at _____ to complete your application for a Mortgage Assistance loan. It is important that you keep this appointment so that your application can be filed within the required time period.

In order to expedite the completion of your application at the interview, please bring the following information to your meeting:

Regional Housing Legal Services has a website to assist applicants in completing their HEMAP application: www.hemap.org.

This process can help you better prepare your application for HEMAP assistance loan. Feel free to access this website and start the process through this website. We can access and finalize your application when we meet on the above-mentioned date.

- 1) LETTER OF CIRCUMSTANCES** - Please **print or type** and sign a detailed letter explaining the reasons for your current mortgage delinquency. Be as specific as possible, since this letter is very important in determining your eligibility for loan assistance.
- 2) EVIDENCE or DOCUMENTED PROOF of CIRCUMSTANCES such as paid bills, medical or legal counsel statements, copies of cash receipts and/ or cancelled checks for expenses** that contributed to the mortgage delinquency.
- 3) ACT 91 NOTICE** and any other Notices of Foreclosure. (Complaint, Sheriff's Sale Notice)
- 4) PAY STUBS** - **Three most recent consecutive** stubs for all working household members.
- 5) VERIFICATION OF OTHER INCOME** - (unemployment comp., workers' comp., child support, alimony, Public Assistance, social security, rent, pensions, etc.).
- 6) EMPLOYMENT HISTORY** – names, addresses, position title and work dates of all employers where you have worked for over the past five years.
- 7) FEDERAL INCOME TAX RETURNS** for the past 3 years (transcripts can be obtained by calling the IRS at 1-(800) 829-1040 and ask for Form 4506).
- 8) DEED TO PROPERTY** (this can be obtained from your County Courthouse).
- 9) MONTHLY STATEMENTS** of all loans and charge accounts (account numbers & balances).
- 10) Proof of REAL ESTATE TAXES** (if not escrowed by mortgagee). Copies of tax bills can be obtained from your county and township government offices.)
- 11) HOMEOWNER'S INSURANCE POLICY**-(can be obtained from Insurance Agent).
- 12) CHECKING & SAVINGS ACCOUNT STATEMENTS.** verifying current balances.
- 13) VERIFICATION of stocks, bonds, retirement accounts, IRA's, 401-K's, cash value of life insurance policies, etc.**
- 14) UTILITY BILLS** - copies of 3 summer & 3 winter bills.(contact utility company if necessary).
- 15) SOCIAL SECURITY NUMBERS** for all applicants and mortgagors.
- 16) MORTGAGE YEAR END STATEMENT** and mortgage payment book.

Monthly Expense Sheet

NAME: _____

SSN: _____

Indicate the normal **monthly amount** of cost for each applicable expense.

(Note: Annual or quarterly expenses will need to be divided accordingly for average monthly figures)

<u>Housing Expenses</u>		<u>Living Expenses</u>			
Mortgage (1st)	\$	Groceries	\$	Magazine Subscription(s)	\$
Mortgage (2nd)	\$	Lunches	\$	Newspaper	\$
Real Estate/Property Taxes	\$	Paper Goods	\$	Day Care	\$
Hazard Ins.	\$	Toiletries	\$	Gifts & Entertainment	\$
Condo Fees	\$	Personal Needs	\$	Pet Care	\$
Assoc. Fees	\$	Tobacco Products	\$	Child Support/Alimony	\$
Electric	\$	Alcoholic Beverages	\$	Union Dues	\$
Gas	\$	Clothing	\$	Pension Contr.	\$
Oil	\$	Laundry Detergent	\$	IRA Contr.	\$
Water	\$	Laundromat & Dry Cleaning	\$	401K Contr.	\$
Sewer	\$	TV Cable	\$	Personal Tax	\$
Trash	\$	Telephone	\$	Education	\$
Other	\$	Internet Fees	\$	Church	\$
Notes & Comments		Gasoline	\$	Tuition	\$
		Car Repairs	\$	Savings	\$
		Bus	\$	Auto Ins.	\$
		Dental & Doctor Bills	\$	Life Ins.	\$
		Prescriptions	\$	Medical Ins.	\$
		Cell Phone	\$	Dental Ins.	\$

TOTAL OF ABOVE COLUMN: \$ _____

TOTAL OF ABOVE TWO COLUMNS: \$ _____

(See next page for payments to credit cards, installment loans, etc.)

Fill in the name of those creditors where you have balances and/or payments. Examples as listed are a sample of those accounts to be considered for completion of information.

- | | | |
|-------------------|-----------------------------|--------------------------|
| Credit Cards | IRS | Personal Loans |
| Department Stores | Legal Fees | Delinquent Medical Bills |
| Auto Loans | Delinquent Real Estate Tax | School Loans |
| Credit Unions | Bankruptcy Trustee Payments | Unsecured Loans |

EMPLOYMENT HISTORY & INCOME VERIFICATION

APPLICANT'S INFORMATION:

Name: _____ SSN: _____

<u>Employers & Addresses for last 5 years</u>	<u>Dates of Employment</u>	<u>Position</u>	<u>Reason for Leaving</u>	<u>Gross Pay per Month</u>	<u>Net/Month Gross minus taxes</u>

List all other sources of "Income" such as interest, dividends, pensions, compensation, cash assistance, children boarder, child support, alimony, etc.

<u>Name/Source</u>	<u>Monthly Amount</u>	<u>DESCRIPTION</u>	<u>Name/Source</u>	<u>Monthly Amount</u>	<u>DESCRIPTION</u>

EMPLOYMENT HISTORY & INCOME VERIFICATION

CO-APPLICANT'S INFORMATION:

Name: _____ SSN: _____

<u>Employers & Addresses for last 5 years</u>	<u>Dates of Employment</u>	<u>Position</u>	<u>Reason for Leaving</u>	<u>Gross Pay per Month</u>	<u>Net/Month Gross minus taxes</u>

List all other sources of "Income" such as interest, dividends, pensions, compensation, cash assistance, children boarder, child support, alimony, etc.

<u>Name/Source</u>	<u>Monthly Amount</u>	<u>DESCRIPTION</u>	<u>Name/Source</u>	<u>Monthly Amount</u>	<u>DESCRIPTION</u>

ANSWERS TO COMMON QUESTIONS ABOUT THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE LOAN PROGRAM ADMINISTERED BY THE PENNSYLVANIA HOUSING FINANCE AGENCY

WHAT IS THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM?

Act 91 of 1983 created the Homeowner's Emergency Mortgage Assistance Program (known as "HEMAP"). The HEMAP program is administered by the PA Housing Finance Agency ("PHFA") and is funded by appropriations in the state budget and from repayment of loans. The purpose of the program is to prevent widespread mortgage foreclosures and distress sales of homes which result from default caused by circumstances beyond a homeowner's control.

WHAT IS THE ROLE OF THE COUNSELING AGENCY?

The Counseling Agency is under contract with PHFA to help prepare an application for a HEMAP loan. The Counseling Agency does not make the decision to approve or deny HEMAP loan applications. They do not make any recommendations to PHFA as to whether or not a homeowner should receive a loan. Their job is to help homeowners present the most complete and accurate application possible. Homeowners must provide all necessary information with their loan application. The circumstances that caused their financial hardship and the factors affecting their reasonable prospect of resuming mortgage payments must be explained in detail. Certain income and expense information must be documented. The Counseling Agency should offer suggestions which will help homeowners obtain the necessary information.

The Counseling Agency is prepared to counsel homeowners with their financial matters and spending habits. If appropriate, the Counseling Agency will attempt a workout agreement with the lender. The Counseling Agency should also provide information about other financial assistance or employment training opportunities in their community.

WHAT KINDS OF MORTGAGE ASSISTANCE LOANS ARE AVAILABLE?

HEMAP provides the following two types of loans: 1.) *Continuing loan* - the Agency brings the homeowners mortgage current and provides continuing help with their mortgage. Total assistance cannot exceed 24 monthly payments. Homeowners approved for a continuing loan will be required to make a monthly contribution towards their mortgage payment based upon their income and housing expenses. They must pay at least \$25.00 per month per mortgage assisted. 2.) *Non-continuing loan* - the Agency simply brings the homeowners mortgage current. Homeowner's are responsible for their own mortgage payments after the closing and immediate repayment of at least \$25.00/per month/per mortgage assisted is required.

IS THE HEMAP LOAN A LIEN AGAINST THE HOME?

HEMAP's loan is recorded as a mortgage lien against the homeowner's property.

WHEN DOES REPAYMENT BEGIN AND ON WHAT TERMS?

A non-continuing loan must begin repayment immediately of at least \$25.00 per month per mortgage assisted. Otherwise, repayment begins when 40% of a homeowner's net monthly income exceeds their

total housing expense. Total housing expense includes mortgage payments, escrows for taxes and insurance, and home utility expenses. Homeowners are recertified at least annually to determine if repayment should be increased or decreased depending upon their net income and total housing expense calculations. The HEMAP loan is at 9% interest and interest only accrues when the homeowner is required to repay based on the 40% test. *Homeowner's must seek repayment / refinance provisions once they have established better credit and equity in property.*

WHO QUALIFIES FOR A HEMAP LOAN?

- ← Homeowner must be at least 60 days delinquent on their mortgage and have received an Act 91 Notice from their lender.
- ← The home must be located in Pennsylvania and be owner-occupied.
- ← The property must be a one or two family residence. A home used primarily for business purposes is not eligible.
- ← Mortgage loans obtained primarily for business purposes are not eligible.
- ← FHA Title II loans are not eligible.
- ← The homeowner must have had a favorable mortgage credit history prior to the delinquency during the previous 5 years.
- ← The homeowner must be suffering financial hardship due to circumstances beyond their control.
- ← The homeowner must have a reasonable prospect of resuming full mortgage payments within 24 months and paying the mortgage in full by maturity.
- ← HEMAP loan cannot exceed \$60,000.00 nor exceed 24 months of assistance.
- ← PHFA/HEMAP must have at least a 3rd lien position.

WHAT ARE CIRCUMSTANCES BEYOND YOUR CONTROL?

To be eligible for a HEMAP loan, a homeowner must be suffering financial hardship due to circumstances beyond their control. Loss of employment due to layoff, strike or plant closing, serious medical problems, divorce or separation are typically circumstances beyond one's control. On the other hand, quitting a job, committing a crime and being jailed, or money mismanagement are all examples of circumstances within one's control.

HOW DO YOU DEMONSTRATE A REASONABLE PROSPECT OF RESUMING FULL MORTGAGE PAYMENTS?

Some circumstances which cause financial hardship are by nature temporary and predictable. A job layoff or temporary unemployment due to a curable medical condition are examples of circumstances which will clearly come and go, and the homeowner will be re-employed and be able to resume making their mortgage payments. The loss of a job usually creates a longer term problem; however, the homeowner's job skills, training, job history, efforts at retraining, etc., are all relevant factors which the Agency will consider in determining whether there is a reasonable prospect of the homeowner being able to resume full mortgage payments within 24 months. If a person demonstrates a good employment history, a good credit history while employed, employable skills or efforts toward retraining, and an active search for employment, they will probably meet the reasonable prospect issue.

On the other hand, a person who has mortgaged their home to the limit, whose spouse dies without life insurance, who has no employable skills, and has no plans of entering into an employment training program probably has little prospect of resuming their mortgage payments within 24 months and would not be found eligible.

It is extremely important for the homeowner to do a complete self evaluation of their job history, job skills and potential for securing future employment in order to present an accurate picture of whether or not there is a reasonable prospect of being able to resume mortgage payments in the future.

HOW LONG DOES THE PROCESS TAKE?

A homeowner must have a face to face meeting with the Counseling Agency within 30 days of the date of their Act 91 Notice. The Counseling Agency must forward the application to PHFA within 30 days of the face to face meeting date. PHFA has 60 days from application receipt date to make a decision. If the application is approved, it takes approximately 60 days for the loan to close. Within 15 days after the closing, the Agency will disburse checks to bring the mortgage(s) and taxes current.

IF REJECTED, CAN THE DECISION BE APPEALED?

If the loan request is rejected, applicants have the right to request an appeal hearing. The request must be made in writing within 15 days of the date of the rejection letter. Hearing examiners, who are separate and distinct from those staff making the initial decision, schedule and conduct hearings to weigh the facts and circumstances and determine if the initial decision was correct and whether a change in circumstances occurred since the initial decision. If the Hearing Examiner upholds the initial decision, a homeowner has 30 days to file a further appeal with the Commonwealth Court.

WHAT IF CIRCUMSTANCES CHANGE?

All HEMAP loans are reviewed at least once a year to recertify their eligibility based upon financial information and other circumstances. If homeowners are receiving a continuing loan, the recert process will determine if PHFA loan disbursements should continue, increase, decrease, or stop. If loan disbursements are not currently being made, the amount of loan repayment is determined at this time. Just because a homeowner is being recertified does not mean that payments will be decreased or stopped. ***However, failure to cooperate with the recertification process will definitely result in a termination of loan disbursements and/or trigger a demand for full payment.*** The recertification process will occur each year until the loan is paid off. This process is handled through the mail; therefore, it is extremely important that PHFA be notified of any change in mailing address.

If circumstances change at any time, homeowners may request a reevaluation. The reevaluation request must be in writing and supporting documentation must be included. New employment, loss of a job, high medical expenses, large home maintenance expenses, or any increase or decrease in household income are all good reasons to request a reevaluation.

HOW CAN MORE INFORMATION BE OBTAINED ABOUT HEMAP?

Act 91 can be found in Purdon's PA Statutes at 35 P.S. Section 1680.401-C through 1680.411-C. PHFA's Guidelines for the program can be found in Pennsylvania Code of Regulations at 12 Pa. Code Section 31.201 etc. A website has also been developed by Regional Housing Legal Services to help homeowners prepare for their visit with the Counseling Agency. It is www.hemap.org

PHFA staff can be reached by phone or by mail as set forth below:

General Information - (717)780-3940 Toll Free - 1-800-342-2397

Hearing Impaired - (717)780-1869

Fax No. - (717)780-3995

PAYMENTS

***PHFA/Hi
211 N. Front Street
PO Box 15206
Harrisburg, PA 17101***

CORRESPONDENCE

***PHFA/HEMAP
211 N. Front Street
PO Box 15530
Harrisburg, PA 17101***

PHFA WEB ADDRESS WWW.PHFA.ORG

PENNSYLVANIA HOUSING FINANCE AGENCY

POLICY REGARDING THE CONFIDENTIALITY OF CUSTOMER INFORMATION

Introduction

In the course of providing affordable housing and loan products throughout the Commonwealth, the Pennsylvania Housing Finance Agency (PHFA) obtains personal information of both a financial and non-financial nature from its customers. This information is maintained on our computer systems and is used by PHFA employees to service loans and to perform other job-related duties.

At PHFA, protecting your privacy is important to us. Although the law may not require us to do so, we want to provide you with a statement regarding how we treat information received from our customers. We wish to assure that information about you is used professionally in the normal course of PHFA business and that we do not disclose confidential information about you to unauthorized parties. If you have specific comments or questions regarding PHFA's privacy policy, please contact us.

Use of Confidential Information

Unauthorized disclosure of customer information is considered a serious matter, even if done inadvertently. PHFA employees are instructed to use customer information only for legitimate business purposes and to not discuss customer information among themselves unnecessarily. Employees should never discuss customer information or business matters outside the office. PHFA employees having access to customers' Social Security numbers, addresses, telephone numbers and any other personal information may not use that information to contact the customer for any reason other than the business of PHFA. Breaching customer confidentiality is taken very seriously by PHFA and may result in employee discipline including dismissal.

Disclosing Customer Personal Financial and Non-Financial Information

Customer personal financial information including, but not limited to, tax returns, income and expense information, loan account balances, payroll information, assets and liabilities may be released only to the customer, any applicable joint homeowner, co-maker or co-signer or persons who are authorized in writing to receive such information. Likewise, customer's personal non-financial information including, but not limited to, home and business addresses, telephone numbers and fax machine numbers may be released only to the customer, any applicable joint homeowner, co-maker or co-signer or persons who are authorized in writing to receive such information.

Release of any customer information (whether financial or non-financial) to anyone other than these parties is strictly prohibited, unless PHFA is obligated to provide such information by contract, law or regulation (e.g. credit reporting agencies, consumer dispute resolution agencies, subpoenas, federal or state investigative entities or as otherwise required by federal, state or local laws, regulations or reporting requirements) or unless such disclosures are necessary or appropriate for PHFA to service your account and conduct business.

For instance, some customer information must be disclosed to secondary mortgage entities such as Fannie Mae, to federal or private mortgage insurance or guarantee programs, to local taxing bodies or to judicial authorities. Likewise, we may from time to time disclose customer information to businesses that help us process or service your transactions or accounts (including businesses that print and mail your invoices and account statements), and we may disclose customer information to businesses, such as financial or educational institutions or marketing firms to assist us in evaluating our programs and in marketing our loan programs or related loan products. Any private vendors, suppliers or businesses will be restricted in their use of customer information to the performance of the specific service we have requested and will be contractually obligated to maintain strict confidentiality.

PHFA does not sell information about you to anyone.