



Oregon

Governor Kate Brown

Housing and Community Services

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Date: March 4, 2016 - **REVISED**

To: Housing Stability Council Members
Margaret S. Van Vliet, Director

From: Betty Merrill, Oregon Homeownership Stabilization Administrator

Re: OHSI update; New Hardest Hit Funds

The Hardest Hit Fund (HHF) was established in 2010, to provide assistance to states that were severely impacted by the foreclosure crisis. The Department of the Treasury provided \$7 Billion in funding to state housing finance agencies in 18 states and the District of Columbia. Oregon Housing and Community Services created the Oregon Affordable Housing Assistance Corporation (OAHAC) to manage the program, because OHCS was unable to receive the funds directly from Treasury. HHF funds purpose is to assist homeowners to avoid foreclosure and stabilize housing markets. In 2010 Oregon was awarded \$220M.

Through December 31, 2015 Oregon has disbursed more than \$234M to assist more than 11,777 homeowners. Oregon closed their MPAT application portal when all funds were committed, in July 2014. Currently only the Loan Refinance Assistance Pilot Program (LRAPP) and the Rebuilding American Homeownership Assistance Program (RAHAPP) programs remain open to continue to utilize recycled funds returned through payoffs.

Program	Dispersed
Mortgage Paymen Assistance (MPAT)	\$ 139,595,724
Loan Preservation Assistance (LPA)	\$ 14,398,225
LRAPP	\$ 29,062,842
RAHAPP	\$ 15,999,887
Total Program Funds	\$ 199,056,678
Administration	\$ 35,380,038
Total Dispersed	\$ 234,436,716
Homeowners Assisted	11,777

New Funding Opportunity

\$2 Billion in additional funding for HHF programs was made available in December 2015, when Congress passed the Consolidated Appropriations Act. The funding will occur in two phases, each allocating \$1 billion. In Phase 1, Oregon was allocated \$36.4 Million; this allocation was based on population and the state's ability to utilize existing funding. Phase 2 funding requires an



application to apply for no more than 50% of our original allocation (\$220M). Oregon will be applying for \$110 Million in Phase 2.

Phase 1 Funding

Oregon will utilize our \$36.4 Million to re-open our Mortgage Payment Assistance and Reinstatement programs in partnership with established Intake Counseling Agencies, which provide 12 monthly mortgage payments and reinstatement of arrearages. We will also expand our LPA program to include a Tax Lien Extinction program which will provide assistance to pay county property tax arrearages. This program is intended to provide opportunities for seniors, fixed income and reverse mortgages clients. If our agreement with Treasury can be finalized in March, we plan to re-open the MPA and reinstatement program in July and the Tax Lien Extinction program in October. Oregon will again partner with established Intake Counseling Agencies for application intake and verification services.

Proposed Phase 1 Allocation				
Program	Average Benefit	Committed Funds	Applications Funded	Max Benefit
MPAT	\$ 12,200	\$ 20,000,000	1,639	\$ 20,000
MPATR	\$ 15,000	\$ 5,000,000	333	\$ 15,000
LPA Tax Lien	\$ 20,000	\$ 4,256,926	213	\$ 30,000
LRAPP ¹	Recycled funds			
RAHAPP ¹	Recycled funds			
Administration ²		\$ 7,168,530		
TOTAL PHASE 1		\$ 36,425,456	2,186	
¹ Programs utilize recycled funds no new allocations planned				
² Administrative expenses are estimated				

Phase 2 Funding

This phase of funding involves an application process that is due to Treasury by March 11, 2016. Using the most recent information provided by Treasury, Oregon’s application will request \$110M to continue and expand the programs opened in Phase 1 and re-open the Loan Preservation Assistance (LPA) Program that will fully reinstate all past due arrearages to bring homeowners monthly principal and interest, taxes and insurance current.

After funding is approved, Oregon will follow the normal term sheet amendment process to propose two new programs; A Down Payment Assistance (DPA) program for first time home buyers and a Blight elimination project focused on replacement of manufactured housing units. Both of these programs require approval by Treasury on which counties can be targeted and the indicators necessary to qualify counties for eligibility and to track the progress and impact of the programs on the community. We hope to re-open the LPA program in fall of 2016.

Proposed Phase 2 Application				
Program	Average Benefit	Committed Funds	Applications Funded	Max Benefit
MPAT	\$ 12,200.00	\$ 30,000,000	2,459	\$ 20,000
MPATR	\$ 7,500.00	\$ 10,000,000	1,333	\$ 15,000
LPA tax lien	\$ 10,000.00	\$ 15,000,000	1,500	\$ 30,000
LPA	\$ 30,000.00	\$ 33,000,000	1,100	\$ 50,000
LRAPP ¹	Recycled funds	\$ -		
RAHAPP ¹	Recycled funds	\$ -		
Administration ²		\$ 22,000,000		
PHASE II Total		\$ 110,000,000	6,392	
¹ Programs utilize recycled funds no new allocations planned				
² Administrative expenses are estimated				

The proposed allocations above are estimates, the actual budget and allocations will be based on the total funds allocated to the Hardest Hit Fund and permitted administrative expenses approved by Treasury in the final HPA Agreement.