

General Eligibility Requirements across All Programs:

Arizona's Homeowner Assistance Fund (HAF) is primarily a foreclosure prevention program. HAF funds can be used to pay homeowner mortgage delinquencies, property tax delinquencies, and HOA delinquencies that could result in foreclosure. HAF funds can also be used to pay homeowner utility delinquencies and homeowner insurance policies with a maximum assistance total amount up to \$40,000 per household.

Payment assistance for multiple eligible housing costs shall not exceed Arizona's CAP of \$40,000 per household.

The following requirements were a top priority for ADOH while developing the HAF plan and researching other HAF participants and their previous program setbacks.

1. **Assistance requires at least one month of delinquency.**
 - a. With exception to: (1) One time Propane Tank Fill up; and (2) One time Annual Insurance Policy Assistance
2. **Simple documentation requirements** and the development of clear program guidance that are similar to the guidance of other states awarded HAF funds.
3. **Assistance structured in the form of a non-recourse Grant.**

Homeowners are eligible to receive funding under AZHAF if they:

- (1) Attest that they experienced a financial hardship after January 21, 2020 associated with the COVID19 pandemic;
- (2) May need to Provide Proof of Income – If not waived through Arizona's Fact Specific Proxy - that determines the housing income is at or below 150% of Area Median Income (AMI) for the property's location; and
- (3) Currently own and occupy the the subject property as their primary residence in Arizona (the applicant must own and occupy the subject property that they are seeking assistance for).

Eligible Property Types

- Single-family residential properties,
- 1-4 unit condominiums and townhomes
 - Where one of the units must be occupied by the owner
- Cooperative Housing Development - Resident Member/Shareholder
 - By definition, a co-op, or a "cooperative home," is usually a multi-family piece of real estate in which a business holds the title to the property. The residents gain equity in the building by buying shares in that business. Co-op residents own a share of the property, but not the deed to the property itself.
- Manufactured homes permanently affixed to real property and taxed as real estate.
 - Affidavit of affixture is required on mobile/manufactured homes

Eligible Mortgage Types

- First Mortgages
- Second Mortgages
 - Home Equity Line of Credit (HELOC) are eligible only if the draw period is over and homeowner has entered into the repayment period.
- Reverse Mortgages
- Loans Secured by Manufactured Housing (secured by real estate or a dwelling / permanently affixed to real property and taxed as real estate).
- Contracts for Deed or Land Contract (if it is a credit transaction secured by a consensual security interest in the dwelling)

Eligible Housing Costs / Assistance Types – SEE ATTACHED TERMS Sheets for Specific Program guidelines

Mortgage Assistance (R Program & U Program):

1. Reinstatement Assistance (R Program)
 - i. Full Reinstatement
 - ii. Partial Reinstatements
 - iii. Loss Mitigation with State Contribution (P Program) – *Available to those homeowners who's delinquency exceeds AZHAF cap limit*
 - iv. Lien Extinguishment
2. Monthly Mortgage Assistance (UMA)

Utility Assistance (UI): (Utility / Internet / Broadband Assistance Payments)

1. Electricity
2. Water, Sewer, Garbage
3. Natural Gas / Propane Tanks
4. Internet

Property Charge Assistance:

1. Delinquent Property Tax Assistance (DPT)
2. Insurance Assistance Payment
3. Association Fees & Lien Assistance Payments (AFL)

Documentation requirements:

1. Proof of identity, which may include a photo identification or other means of identification through id.me;
2. Deed or Proof of Ownership;
3. Proof of Income – If not waived through Arizona's Fact Specific Proxy the following may be required:
 - a. Paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution (or bank) statements demonstrating regular income, or an attestation from an employer
4. Attestation of financial hardship due to COVID-19;
5. Service Provider Statements (*Statements specific to assistance that is being requested*);
6. Third Party Authorization (generated based on attestation at application submission);

Reinstatement (R) Payment Assistance Term Sheet

Criteria	Terms
<p><u>Brief description</u></p>	<p>Provide funds to cover mortgage reinstatement to allow a homeowner reinstate a mortgage in delinquency and/or to pay other housing-related costs related to a period of forbearance, delinquency, or default. A total of \$40,000 in Mortgage Reinstatement Assistance is available for curing mortgage delinquency.</p> <p>Home Equity Line of Credit (HELOC) loans are eligible only if the draw period is over and the homeowner has entered into the repayment period.</p> <p>Reinstatement (R Program):</p> <ul style="list-style-type: none"> ▪ Maximum amount of past due mortgage payments to be rescued can be up to but no more than \$40,000 of the state’s household cap; ▪ Program will allow for an additional three (3) months of monthly mortgage payment assistance outside of reinstatement, if funding remains available; ▪ AZ requests a 60 day Foreclosure hold be placed upon sending an “I” Record in a CDF exchange <p>Full Reinstatement may be provided when the homeowner loan arrearage does not exceed the maximum HAF benefit established by the state and applicant would resume making their regular mortgage payments, or property expenses (taxes and insurance), when reinstatement assistance is provided in conjunction with a first, subordinate, or reverse mortgage, respectively.</p> <ul style="list-style-type: none"> ▪ Loans in foreclosure may be eligible for consideration. ▪ Reverse Mortgage Loans can reinstate past due taxes, insurance and Servicer advances associated with reverse mortgage loans. The reinstatement is still a lump sum disbursement and would not include monthly payment assistance. <p>Partial Reinstatement may be provided when the loan arrearage exceeds the maximum HAF benefit established (homeowners who are delinquent over \$25K), to reduce the arrearage before a deferral, partial claim, or loan modification is complete.</p> <ul style="list-style-type: none"> ▪ Loans in foreclosure are ineligible for partial reinstatement consideration because the partial reinstatement (on its own) does not bring a loan current; ▪ If HAF funds are not sufficient to cure delinquency, ADOH attempt to provide available funding to the servicer as a partial reinstatement or move toward the “P” Program. <p>Loss Mitigation with State Contribution (P) Program</p> <ul style="list-style-type: none"> ▪ May be used when the loans total past due amount exceeds the State’s maximum program amount available. ▪ These funds can be used in conjunction with any available loss-mitigation options the servicer is able to provide and shall be applied in the best interest of the homeowner. ▪ Provides HAF benefits to complement loss mitigation options available through the homeowner’s Servicer and help the homeowner avoid displacement. ▪ Homeowner agrees to work with their servicer to receive a loss mitigation solution that includes HAF monies. Homeowners that fail to work with the servicer will be unable to receive HAF contribution that is combined with a loss mitigation option. <p>Lien Extinguishment may be provided if HAF funds are sufficient to extinguish the total lien amount reported by the mortgage servicer. ADOH will attempt to provide available funding to the servicer as a lien extinguishment.</p>

<u>Criteria</u>	<u>Terms</u>
	<p>Insurance Assistance Payment (Homeowners, Flood, and/or Mortgage): Component will cover Insurance Assistance Payment (homeowners, flood, and/or mortgage). HAF Funds may be used to pay homeowner’s insurance, flood insurance, and/or mortgage insurance that are not escrowed in the homeowner’s monthly mortgage payment.</p> <ul style="list-style-type: none"> ▪ Payment assistance for insurances will provide up to (1) annual homeowner's insurance premium to assist homeowners maintain housing insurance requirements. ▪ Insurance Policy Assistance Payment need not be delinquent but must be within 90 days of policy being due for payment – Non-delinquency of Insurance policies will help with reducing the risk in lapsed insurances. ▪ This will apply when these fees are not escrowed into the homeowner’s monthly mortgage payment. <p>If between application approval and payment disbursement, a homeowner completes a Loss Mitigation workout AZ will allow the mortgage servicer to apply the reinstatement funds to principal, forward payments, and/or partial claims if allowed by the mortgage servicer/investor.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum up to \$40,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Eligibility Requirements Across All Programs plus</p> <ul style="list-style-type: none"> ▪ Homeowner’s delinquency is confirmed by the mortgage servicer via CDF exchange. ▪ Delinquency can include any fees, servicer advances associated with the mortgage loan, escrow shortages and/or at least one payment, including any payments during a forbearance period. ▪ Program will allow for three (3) months of monthly mortgage payment assistance outside of reinstatement, if funding is available. <p>Additional Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Mortgage Documents ▪ Third Party Authorization (for Information Exchange) ▪ If in Active Chapter 13 – State asks homeowner to obtain Consent letter from bankruptcy court, trustee or attorney.
<u>Loan eligibility criteria specific to the program</u>	<ul style="list-style-type: none"> ▪ Delinquent by any fees, servicer advances, escrow shortages, and/or payments, including any payments during a forbearance period; ▪ AZ will allow HAF funds to be applied to deferred balances only if a loss mitigation option has not already been accepted and the servicer is willing to accept HAF funds under a partial reinstatement or P program with servicer where applicants accept a loss mitigation option in conjunction with HAF assistance directly through their mortgage servicer; ▪ If between application approval and payment disbursement, a homeowner completes a Loss Mitigation workout AZ will allow the mortgage servicer to apply the reinstatement funds to principal, forward payments, and/or partial claims if allowed by the mortgage servicer/investor; ▪ Home Equity Line of Credit (HELOC) loans are eligible only if the draw period is over and homeowner has entered into the repayment period.
<u>Form of assistance</u>	<p>Assistance will be structured as a non-recourse grant.</p>
<u>Payment requirements</u>	<p>Payments will be made directly to the mortgage servicer and/or applicable third party authorized to collect eligible delinquencies via electronic funds transfer or check.</p>

Monthly Mortgage (U) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Provide full monthly payment assistance to homeowners unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic. This type of assistance can only be used in conjunction with Reinstatement Payment Assistance.</p> <p>Home Equity Line of Credit (HELOC) loans are eligible only if the draw period is over and homeowner has entered into the repayment period.</p> <p>HAF funds will allow a homeowner up to three (3) months outside of reinstatement assistance payments. Monthly mortgage payments are available only in conjunction with a reinstatement assistance payment.</p> <ul style="list-style-type: none"> ▪ Monthly Mortgage assistance can be provided if not all funds have been expended after Reinstatement and Utility/Internet/Broadband payment assistance.
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum monthly assistance across all programs of \$3,500; ▪ Maximum up to \$40,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Property Eligibility Criteria Across All Programs plus</p> <ul style="list-style-type: none"> ▪ Monthly Mortgage Assistance is only available if used in conjunction with Reinstatement Payment Assistance. ▪ Homeowner is delinquent by at least one payment, including any payments during a forbearance period. ▪ Program will allow for three (3) months of monthly mortgage payment assistance outside of reinstatement. <p>Additional Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Mortgage Documents ▪ Third Party Authorization (for Information Exchange) ▪ If in Active Chapter 13 – State asks homeowner to obtain Consent letter from bankruptcy court, trustee or attorney.
<u>Loan eligibility criteria specific to the program</u>	Only available in conjunction with Reinstatement Assistance.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Payments will be made directly to the lender or servicer or applicable third party authorized to collect eligible delinquencies via electronic funds transfer or check

Utility / Internet / Broadband (U) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Provide funds to resolve delinquent payments for utility and/or internet access services.</p> <p>Utility / Internet Payment Assistance will allow payment assistance for homeowner’s utilities, including electric, gas/propane, garbage, home energy, and water and payment assistance for homeowner’s internet service, including broadband internet access service, as defined in 47 CFR 8.1(b);</p> <ul style="list-style-type: none"> ▪ HAF funds may be used to pay delinquent amounts in full under circumstances in which a delinquency threatens access to utility or internet services. The provided assistance must bring the homeowner’s account current. ▪ HAF funds will allow a homeowner up to six (6) months outside of utility reinstatement assistance payments. Utility/Internet/Broadband payments are available only in conjunction with a utility reinstatement assistance payment. <p>Funds may be used to pay prospective charges for up to the first 90 days following approval if the homeowner is unable to make such payments and</p> <ol style="list-style-type: none"> 1. Funds are not available from other utility assistance programs to cover these amounts; <p>Self-Attestation of Continued Need</p> <ol style="list-style-type: none"> 1. After 60 days of future assistance homeowner will received notification to log into the application portal to make a self-attestation that attests to continued need for assistance. This would allow the program to continue paying on utility payments an additional 90 days.
<u>Maximum amount of assistance per homeowner</u>	<p>Maximum Amount of Assistance:</p> <ul style="list-style-type: none"> ▪ Maximum monthly assistance across all programs of \$3,500 ▪ Maximum up to \$40,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Eligibility Requirements Across All Programs plus:</p> <ul style="list-style-type: none"> ▪ Homeowner is at least one installment payment in arrears on one or more of the following: utilities, such as electric, gas, propane, garbage, home energy, and water or internet service, including broadband internet access service. <ul style="list-style-type: none"> • No delinquency is required on filling a propane (gas) tank • Program will allow one (1) Propane Tank fill up to assist homeowners with utility payment ▪ HAF funds will allow a homeowner up to six (6) months outside of utility reinstatement assistance payments. Utility assistance payments are available only in conjunction with a utility reinstatement assistance payment. <p>Self-Attestation of Continued Need</p> <ul style="list-style-type: none"> ▪ After 60 days of future assistance homeowner will received notification to log into the application portal to make a self-attestation that attests to continued need for assistance. This would allow the program to continue paying on utility payments an additional 90 days. ▪ Assistance sufficient to resolve the delinquency is not available from other utility assistance programs and, without HAF assistance, the homeowner is likely to lose services <p>Additional Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Utility and/or Internet Billings for each utility company if applying for utility assistance ▪ Third Party Authorization Attestation

<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least one installment payment in arrears on one or more of the following: utilities, such as electric, gas/propane, garbage, home energy, and water or internet service, including broadband internet access service. Propane tank fill up does not require delinquency, includes a one-time propane tank fill up.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Funds will be paid directly to the utility provider, internet provider, or other applicable third party authorized to collect eligible delinquencies via check or electronic funds transfer.

Delinquent Property Tax (DPT) Payment Assistance Term Sheet

Criteria	Terms
<u>Brief description</u>	Provide a one-time reinstatement payment of delinquent property tax payment assistance to prevent homeowner from tax foreclosure, paid in increments of 1 year (2 installments); unless Tax Authority does not accept future installment payments where then account will only be brought current. This will apply when the property tax is not escrowed into the homeowner's monthly mortgage payment.
<u>Maximum amount of assistance per homeowner</u>	Maximum up to \$40,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	Same as General Property Eligibility Criteria Across All Programs plus Documentation requirements: <ul style="list-style-type: none"> ▪ Mortgage Documentation (confirming there is no escrow account) ▪ Deed of Release (if no mortgage loan is associated to the property) ▪ Property Tax Statement ▪ Third Party Authorization Attestation
<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least one installment of delinquent property taxes. <ul style="list-style-type: none"> ▪ One-time reinstatement payment assistance to reinstate property taxes and bring account current. <ul style="list-style-type: none"> • If household is one installment in arrears, the program will pay up to one full year (2 installments) at the time of the reinstatement; unless Tax Authority does not accept future installment payments where then account will only be brought current. ▪ Will apply when property taxes are not escrowed into the homeowner's monthly mortgage payment. ▪ Ongoing assistance is not available through this component, provided as a one-time reinstatement payment.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Funds will be paid directly to the County Treasurer's office or applicable third party authorized to collect eligible delinquencies via check or electronic funds transfer.

Association Fees & Lien (AFL) Payment Assistance Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>Brief description</u>	<p>Association Fee & Lien Assistance will allow reinstatement to bring the account current.</p> <p>If fees are past due less than one (1) annual premium, payment assistance will make a one-time payment of one (1) complete annual premium for homeowner’s association fees or liens, condominium association fees, or common charges. This will apply when association and/or lien fees are delinquent enough that there is a risk of displacement of an eligible homeowner.</p> <p>Homeowner Association liens or fees, Condominium Association liens or fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development may be determined to be an eligible housing cost if there is a risk of displacement of an eligible homeowner.</p>
<u>Maximum amount of assistance per homeowner</u>	Maximum up to \$40,000 per household
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Property Eligibility Criteria Across All Programs plus:</p> <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Billing Statement from: <ul style="list-style-type: none"> • Homeowner Association • Condominium Association • Cooperative Housing Development
<u>Loan eligibility criteria specific to the program</u>	<p>Allow reinstatement to bring the account current.</p> <ul style="list-style-type: none"> ▪ Must be at least one payment in arrears. ▪ HAF funds will pay up to one annual premium of Homeowner Association fees if applicant is less than one-year delinquency or will provide reinstatement funds to bring a Homeowner’s Association fees current whichever is greater. ▪ Community Land Trusts lot fees are not eligible for assistance since the applicant does not own the land <p>Allow one time reinstatement assistance of one (1) annual premium for homeowner’s association fees or liens, condominium association fees, or common charges if arrearages are less than one (1) year delinquent.</p> <ul style="list-style-type: none"> ▪ One-time reinstatement payment will be awarded for one annual premium. Calculation will be based on statement provided that shows Monthly, Quarterly, or Yearly Assessments fees <p>Allow reinstatement assistance for homeowner’s association fees or liens, condominium association fees, or common charges if arrearages are under more than one (1) year delinquent.</p> <ul style="list-style-type: none"> ▪ One-time Reinstatement payment will be awarded to bring the delinquency current. In cases such as these, there are normally payoffs statements provided directly by the associations and/or legal offices. These payoffs include but not limited to, assessment, violation, and/or legal fees. <p>This will apply when association and/or lien fees are delinquent enough that there is a risk of displacement of an eligible homeowner.</p> <ul style="list-style-type: none"> ▪ Ongoing assistance is not available through this component, provided as a one-time reinstatement payment.

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<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Funds will be paid directly to the Condominium, Homeowner's Association, Cooperative Housing Development or applicable third party authorized to collect eligible charges via check or electronic transfer.

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