

Homeowner Assistance Fund (HAF) Annual Report to Treasury

October 1, 2022 through
September 30, 2023

Tennessee Housing Development Agency



Community Engagement and Outreach

1. Did you continue outreach to communities over the past twelve months (October 1, 2022 - September 30, 2023)?

Yes

2. Please provide the total amount spent on outreach in the past twelve months (October 1, 2022 - September 30, 2023).

\$50,000

3. You identified the community-based organizations and providers of counseling services or legal assistance listed below in your HAF Participant Plan or a previous report. Please indicate whether you have performed outreach in the past twelve months (October 1, 2022 - September 30, 2023) to each organization or provider by tapping "Provide Data" and selecting Yes or No.

Community Organization or Provider:	Did you perform outreach to this organization or provider during the reporting period? Yes/No
1. United Housing	Yes
2. TN Legal Aid Association	Yes
3. Clinch Powell RC and D	Yes
4. Chattanooga Neighborhood Enterprises	Yes
5. Affordable Housing Resources	Yes
6. Eastern Eight Community Development Corporation	Yes
7. Homesource East TN	Yes
8. Greater Nashville Habitat for Humanity	Yes
9. FAHE	Yes
10. Dominion Financial Management	Yes
11. Knoxville Housing Partnership	Yes
12. Life of Victory International Christian	Yes
13. Residential Resources	Yes
14. Woodbine Community Organization	Yes
15. Good Neighbor Foundation	Yes
16. Loudon County HFH	Yes
17. Jefferson County HFH	Yes
18. HFH of Cleveland	Yes
19. Cumberland County HFH	Yes
20. Rutherford County Area HFH	Yes
21. HFH of Greater Nashville	Yes
22. Holston HFH	Yes
23. HFH of Williamson-Maury	Yes

24. HFH of Sumner County, TN	Yes
25. Clinch River HFH	Yes
26. HFH of Greater Chattanooga	Yes
27. Lakeway Area HFH	Yes
28. Claiborne County HFH	Yes
29. Bedford Builds HFH	Yes
30. HFH of Greater Memphis	Yes
31. Knoxville HFH	Yes
32. Hawkins HFH	Yes

4. Did you perform outreach in the past twelve months (October 1, 2022 - September 30, 2023) to any community-based organizations or providers of counseling services or legal assistance that are not on the list above?

Yes, we reached out to local Habitat for Humanity affiliates in Tennessee for Phase 2 of the HAF Program. They are included in the list above.

Performance Goals

You identified the measurable outcomes listed below in your HAF Participant Plan. Please report a status and the measurable results for each goal, and provide a narrative description of performance related to the goal.

Current design elements, goal descriptions, and metrics of success.

	Design Element	Goal Description	Metric of Success
1	Mortgage Reinstatement	Reducing mortgage delinquency, reinstating mortgage loans, avoiding foreclosures	number or percentage of households that remain current for the next consecutive 12 months after reinstatement. Percentage of targeted population households reinstated.
2	Mortgage Principal Reduction	principal reduction for amortizing secondary financing on loans provided by non-profit housing agencies.	Number of amortizing secondary liens reduced or released. Household housing debt ratios reduced by 10% or more.
3	Other measures to prevent homeowner displacement	Counseling and education for financial crisis management	all funded applicants receive education curriculum.
4	Payment Assistance for Delinquent Property Taxes	Pay delinquent taxes to avoid foreclosure tax sales.	number of households served.
5	Payment Assistance for Homeowner's Insurance	Pay delinquent hazard insurance premiums.	number of households removed from forced place insurance and/or insurance brought current.
6	Payment Assistance for HOA fees or liens	Pay delinquent HOA payments to avoid HOA foreclosure	Number of households served
7	Mortgage Reinstatement	Reduce mortgage delinquency by reinstating mortgages for those affected by COVID who suffered a financial hardship	A notable reduction in 90 day delinquency rates using a comparison of pre COVID delinquency rates to present delinquency rates

Updates on Performance Goals (Corresponding to the goals above):

		Status - Not on Track - On Track - Goal Met - New; no performance data	Actual Measurable Results	Narrative description and comments	Continue this goal for next year? Y/N
1	Mortgage Reinstatement	On Track	As of September 30, 2023, 2,201 Tennesseans have had their mortgage reinstated. 91.5% of reinstatements have been for persons under 100% NMI.	A survey was sent to 520 participants who last received a payment 12 or more months prior. 41.5 percent responded to the survey. 141, or 65 percent, of participants said they were able to maintain payments on their homes. Of that number, 124 said they remained current on their own and 17 remained current with the assistance of friends, family, or other financial support. 39 participants indicated that they had missed one or more payments, or were about to miss their next payment. The rest of the sample either said it had not been 12 months since their last payment or that they no longer owned the property for which they received HAF assistance.	Y
2	Mortgage Principal Reduction	On Track	14 participants have been paid in this category, with two more approved for funding.	14 payments totaling \$245,799.03 have been disbursed.	Y
3	Other measures to prevent homeowner displacement	Goal Met	The majority of the 2,274 applicants approved for funding have watched the educational video and have had at least one session with a housing counselor.	Most approved applicants watched an educational video and complete a call with a counselor. Applicants receiving ongoing payments and loss mitigation options receive additional counseling.	N
4	Payment Assistance for Delinquent Property Taxes	On Track	24 homeowners received property tax payments totaling \$115,675.92, 23 of which were persons under 100% of NMI.	N/A	Y
5	Payment Assistance for Homeowner's Insurance	Goal Met	TN HAF did not have any insurance related payments.	N/A	N
6	Payment Assistance for HOA fees or liens	On Track	17 homeowners received HOA or Condo fee payments totaling \$56,881.12, 14 of which were persons under 100% of NMI.	N/A	Y

7	Mortgage Reinstatement	On Track	<p>90+ Day Delinquency Rates have changed as follows for the state of TN:</p> <p>July 2019: 1.53% July 2020: 3.72% July 2021: 2.57% July 2022: 1.28% July 2023: 0.88%</p> <p>Rates as of July 2023 were 0.65 percentage points lower than the July prior to the pandemic.</p> <p>Just over 60 percent of TN HAF participants had a 90+ day delinquency resolved.</p>	<p>Tennessee saw a steady reduction in 90+ day delinquencies from the beginning of the pandemic, returning to lower than pre-pandemic levels in July 2022 and further decreased as of July 2023.</p> <p>At TN HAF, the majority of homeowners receiving assistance had a 90+ delinquency resolved.</p>	Y
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Methods for Targeting

1. Please provide an update on your targeting plan including challenges, successes, etc.

TN HAF divided its 95 counties into targeting tiers based on demographics that could indicate higher percentages of persons that might need HAF assistance or higher percentages of homeowners that meet the definition of “socially disadvantaged”. Starting in March 2022, TN HAF conducted a targeted media campaign in which application submissions ticked up and remained steady throughout the next couple of months. Tier 1 counties saw targeted media such as Spanish print and radio ads; ads in African-American targeted print, and English print, radio, and digital media. Tier 2 counties included print and digital media, as well as eight outdoor billboards. Tier 3 counties saw targeted print and digital media advertising, in addition to the online advertising available in all counties.

TN HAF assessed the success of the media campaign by analyzing trends in applications, particularly for those under 100% NMI and/or meeting the definition of socially disadvantaged. Currently, 91% of homeowners who have received HAF funds fall below 100% NMI and 56% of homeowners who have received funds meet the definition of “socially disadvantaged”. Of those who had an NMI over 100 percent, 46 percent met the criteria of socially disadvantaged. No additional general outreach has been conducted, though individuals meeting criteria for new design elements may be contacted via email. For example, partial claims payments were added in 2023 and TN HAF sent targeted emails to THDA loan borrowers with partial claims. THDA continues to keep community partners apprised of changes so that they can make client referrals.

Additionally, the contracted call center vendor has Spanish-speaking members of staff, as well as language translation resources available. THDA and counseling agencies have language translation services available as well.

TN HAF closed the public application portal in August 2023, but continues to process existing applications and payments.

2. Is the targeting plan put forth in the HAF Plan achieving the desired results?

Yes

Best Practices and Coordination

1. Have you coordinated with any of these agencies? (FHA, VA, USDA, GSE's, State or Local Agencies that hold mortgage portfolios)

Yes

TNHAF coordinated with HUD/FHA and VA as well as the entities that service their partial claims. Through this collaboration, we have created remittance processes that allow us to pay off or reimburse COVID19-related partial claims for eligible homeowners.

2. Have you coordinated with servicers?

Yes

If yes, please provide best practices and information on coordination efforts.

THDA takes a comprehensive approach by working with homeowners, counselors, and servicers to determine how to best utilize funds towards loss mitigation efforts, or other efforts that are appropriate for and benefit the homeowner.

Certification

How much in interest did you earn on HAF award funds in your last fiscal year?

\$5,156,617.87

(If yes to question 1)

2. If you earned interest in excess of \$500, did you remit that earned interest to the Department of Health and Human Services Payment Management System (PMS)?

No, THDA is in the process of returning the earned interest.