

Draft Plan

State of Tennessee
Tennessee Housing Development Agency
Homeowner Assistance Fund Program
TNHAF

Issued for public comment August 13th-20th, 2021

Executive Summary

The Homeowners Assistance Fund was established under Section 3206 of The American Rescue Plan Act of 2021. The combined assistance provided under the HAF program is \$9.9 billion to be administered to states, territories and tribal governments. Of that amount the state of Tennessee was allocated \$168,239,035. With approval provided by the office of the Governor, the Tennessee Housing Development Agency (THDA) will administer the HAF funds to those eligible homeowners experiencing a financial hardship related to the Covid-19 pandemic.

The Tennessee Housing Development Agency (THDA) is a State agency that was established by the Tennessee General Assembly in 1973 (TCA 13-23-120). THDA is committed to the belief that housing is a basic human need that has profound impacts, both social and economic, on individuals and communities. Safe, sound, affordable housing is essential to a healthy household, educational achievement, successful employment, and the stability and safety of the neighborhood. THDA has a broad portfolio of housing assistance programs and continues to vigorously develop a network of industry and municipal partners for their delivery.

On April 14, 2021 the US Department of Treasury sent out the Homeowner Assistance Fund (HAF) Guidance. THDA staff will be following this guidance in preparing the HAF program proposal, the TNHAF Plan, to be submitted to the U.S. Department of Treasury for approval by August 21, 2021. The TNHAF plan will be made available to mitigate financial hardships associated with the coronavirus pandemic (Covid-19) to assist in preventing mortgage delinquencies, foreclosures, defaults and other related housing expenses. Eligibility will be determined based on the TNHAF Program Guidelines.

Initial structure of the TNHAF Program will include but not be limited to the following:

- Household income limit of \$119,850 statewide
- Must be a 1 to 4 unit single-family residence, located in Tennessee and occupied by homeowner(s) as their primary residence.
- Maximum assistance provided is \$40,000 per household
- Must have a Covid related hardship after January 21, 2020.
- Funds are provided by a forgivable grant.

The TNHAF program will offer the following assistance to eligible homeowners.

- Mortgage payment assistance which may include but not be limited to; mortgage payments to include principal, interest, taxes and insurances, homeowner association fees or liens, lot rentals and/or condo association fees.
- Principal reduction or lien extinguishment of subordinate amortizing liens for borrowers with less than 60% AMI provided through non-profit housing agencies.
- Financial assistance to reinstate a mortgage and/or pay other expenses related to a period of forbearance, delinquency, or default associated with the mortgage delinquencies on the homeowner's primary residence.
- Financial assistance to pay delinquent taxes to prevent tax foreclosures.
- Financial assistance to pay delinquent homeowner association (HOA) dues to prevent HOA foreclosures.
- Counseling or educational efforts by housing counseling agencies approved by HUD, or legal services, targeted to eligible households related to foreclosure prevention or displacement.

THDA works with a strong network of HUD housing counseling agencies in delivering a variety of education and counseling services. This network of Housing counseling providers as well as legal aid providers will provide services to include but not be limited to application assistance, mortgage crisis education, foreclosure prevention, housing counseling and legal advocacy activities.

Upon approval by the U.S. Treasury of the TNHAF program plan, funds will be provided by the U.S. Treasury and the program will be open for applications. TNHAF homeowner application process will be provided through a digital platform accessible through desktops, laptops and hand held devices. If you are a homeowner that may need some assistance please visit <https://thda.org/help-for-homeowners/haf> to submit your email to be notified of the application start date.