



July 30, 2021

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Executive Office of Housing and Economic Development
Room 2101
1 Ashburton Place
Boston, MA 02108

RE: Comments on Homeowner Assistance Fund, Draft Implementation Framework

Dear Secretary Kennealy:

I am pleased to offer CHAPA's comments on the draft Implementation Framework on the Homeowner Assistance Fund (HAF). These comments reflect the feedback and consideration of several stakeholder groups CHAPA works with on matters of homeownership and foreclosure counseling and prevention.

We have broken out our suggestions by category and also included a section of general comments and feedback.

The foreclosure process in MA is governed by complex state laws and regulations as well as federal regulations that vary depending upon the type of loan involved. Since COVID, federal regulations have evolved leaving vulnerable homeowners who are facing foreclosure unsure or unaware as to whether they are entitled to assistance and if so, what that assistance looks like.

Legal aid attorneys and housing counselors each play a critical but distinct role in assisting homeowners facing foreclosure. In MA, many homeowners facing foreclosure first reach out to a housing counselor specializing in foreclosure prevention. Foreclosure prevention counselors evaluate options for loan repayment or loan modification and help navigate the loan modification process. For clients challenging a foreclosure proceeding or facing eviction or other legal proceeding, the counselor will make a referral to a legal aid attorney who can offer legal representation and assure homeowners understand their rights and strategies for defending against foreclosure.



Legal Services:

- Legal Aid should be a key party in working directly with homeowners and therefore the eligible uses under the HAF program should be termed “foreclosure prevention services” instead of “counseling” to encompass all of the work legal aid does to assist homeowners in avoiding foreclosure. The partnership between the housing counseling agencies and legal aid is essential to a homeowners success. This use of funds is contemplated in the “Homeowner Fund Guidance” promulgated by the U. S. Department of the Treasury (April 14, 2021) at page 4, subparagraph 8 which specifically contemplates legal services as well as counseling agencies as qualified expenses under the HAF related to foreclosure prevention or displacement “in an aggregate amount up to 5% of the funding from the HAF received by the HAF participant.”
- Consider a role for the AGO to assist with lenders and servicers not complying with the program guidelines. During the 2008 recession, the MA AGO’s HomeCorps program successfully employed this collaborative model in which AGO advocates escalated loan modification requests when servicers were non-complaint.

Access and outreach to legal aid and housing counselors is critical to meeting the goal of the HAF which targets municipalities that have higher shares of minority and lower income residents. As with other relief programs such as RAFT/ERMA, MA relies on a robust network of Community Based Organizations (CBOs) that are familiar with and trusted by the communities in which they work. It is the CBOs in these municipalities that will be able to successfully insure that those intended to benefit from the HAF have access to the resources, as discussed below.

Outreach:

- CBOs should take the lead on the outreach with direct referral to the Housing Counseling Agencies as the outreach and the counseling are distinct responsibilities in the delivery of resources. CBOs should be included in the HAF program.
- We also request that municipalities are included in the outreach plan to send notices through tax bills for the HAF program as well as including large condominium associations in the outreach plan.



- Consider the use of a hotline that is published/available broadly in multiple languages.
- During the 90 day right to cure period require servicers to notify homeowners of the HAF assistance available to them.
- Request that the Division of Banks make it a requirement for all lenders under DOB to send information regarding the HAF program.
- Ask that lenders take a pledge to inform borrowers of the HAF funds before moving forward with a foreclosure.
- Ask Land Courts to provide information about the HAF program as part of the notifications sent out when a SCRA case is filed.
- Ensure the list of Housing Counseling Agencies participating in this program is made available on all state and quasi-state websites as well as the CHAPA website and major cities such as Boston, Lawrence, Lowell, etc.
- List this program and the state contacts on the CFPB website.

For HAF to be effective in preventing or curing mortgage delinquencies and defaults, eligible expenses should be broadly defined so that housing counselors have the latitude to assist homeowners in designing individual repayment plans.

Eligible Expenses:

- HAF eligible expenses should be expanded to include the use to cure tax and condominium foreclosures, attorney fees, fronted escrows, emergency home repairs and relocation costs when necessary.
- Allow the funding to be used to pay some or all of a homeowner's current forbearance at the end of the loan.

The following list of questions and concerns came up in our meetings. We would be interested in having more meetings with the Administration to discuss these issues and offer additional recommendations.

Questions & Concerns:

- How will the funds be administered? Through MassHousing and MHP and then to the Housing Counseling Agencies or to the Housing Counseling Agencies directly?
- Is a homeowner eligible if their hardship was prior to January 21, 2020?
- Instead of a dollar cap, will this program mirror other state and federal programs currently available and instead provide a set timeframe such as



covering 12-18 months of the eligible costs? This approach is more likely to lead to successful foreclosure avoidance.

- Will homeowners who have already received RAFT be eligible for this funding?
- Will there be clarification on how the funding works when it will not be used directly for a mortgage, such as for payment of taxes or utilities? Addressing these other expenses is essential to preventing avoidable foreclosures.
- How is a homeowner defined? This is key in order to prioritize owner occupied homes of borrowers in need of assistance and to ensure that some of the most vulnerable homeowners, those in manufactured housing, with land contracts, with reverse mortgages, have access to the program. Also, will the program ensure that family members are eligible for this funding if they are an heir living in the home of a deceased family member and/or are a spouse not included on the deed/mortgage?
- We request that given the time lag between when these funds will be made available and the foreclosure moratorium ending, servicers should be required to pause any foreclosure process if the borrower will be eligible for this funding once it is available.

Thank you for your continued commitment to providing these needed resources to our homeowners. If you have any questions, or want more information, please reach out to me at 617-701-7491 or at Rheller@chapa.org.

Sincerely,

A handwritten signature in cursive script that reads 'Rachel Heller'.

Rachel Heller
Chief Executive Officer, CHAPA

Ana Luna, Executive Director, ACT Lawrence

Brad Gordon, Executive Director, Berkshire County Regional Housing Authority



Helen Zucco, Executive Director, Chelsea Restoration Corporation

Sheila Dillon, Chief and Director, City of Boston Department of Neighborhood Development

Gina Govoni, Executive Director, Franklin County Regional Housing & Redevelopment Authority

Greater Boston Legal Services, on behalf of low income homeowners

Juan Bonilla, Chief Operating Officer, Lawrence Community Works, Inc.

Thomas Callahan, Executive Director, Massachusetts Affordable Housing Alliance

Joe Kriesberg, Executive Director, Massachusetts Association of Community Development Corporations

Georgia Katsoulomitis, Executive Director, Massachusetts Law Reform Institute

Richard Dubois, Executive Director, National Consumer Law Center

Marc Dohan, Executive Director, NewVue Communities

Phil Giffie, Executive Director, Neighborhood of Affordable Housing, Inc.

Beth Ann Strollo, Chief Executive Officer, Quincy Community Action Programs, Inc.

Emilio Dorcely, Chief Executive Officer, Urban Edge

Peter Jessop, Interim Executive Director, Valley Community Development