

AFFORDABLE HOUSING OFFICE DEPARTMENTAL POLICY

SUBJECT: Hillsborough HomeSavers Program

EFFECTIVE DATE: November 14, 2008

AMENDED DATES: January 27, 2010
April 23, 2010

PURPOSE: To offer eligible Hillsborough County homeowners an opportunity to avoid foreclosure and save their homes.

A. POLICY:

1. County funds may be available to provide a total of up to \$15,000 in financial assistance to eligible homeowners facing foreclosure through no fault of their own. Assistance is offered to homeowners for the following situations:
 - a. To bring their mortgage payments current prior to being foreclosed and/or
 - b. To refinance their existing Adjustable Rate or Interest Only mortgage to a fixed-rate mortgage.
2. Financial assistance will be provided in the form of a one-time, 0% interest rate deferred payment loan secured to the property not to exceed \$15,000.
3. Applicants must be able to contribute ten percent (10%) of their total arrearages due to their lender for financial assistance consideration.
4. Repayment is due upon the sale or transfer of ownership of the property.
5. Foreclosure Assistance: The maximum amount of foreclosure prevention assistance shall be \$15,000, which shall cover such things as delinquent payments, legal fees, appraisals and other customary fees associated with bringing the loan current. Decisions regarding foreclosure assistance shall be based on whether the homeowner has the ability to pay their monthly mortgage payment based on the eligibility criteria and ratio limits established in this policy.
6. Refinancing Assistance: The maximum amount for refinancing assistance shall be \$15,000, which shall cover closing costs and interest rate buy-downs. Decisions regarding refinancing assistance shall consider whether the homeowner has the ability to pay their monthly mortgage payment based on the eligibility criteria and ratio limits established in this policy. Payments will be made directly to the lending institution or the title company. Eligible expenses include principal, interest, taxes, insurance, attorney's fees associated with closing file, late fees, appraisals, standard refinancing closing costs, and other customary closing fees.
7. Households seeking to refinance an Adjustable Rate or Interest Only mortgage to obtain a fixed *rate mortgage* shall not receive cash back as a result of the loan refinance.

8. A maximum of \$2,000 of loan amount will be allowed to pay off other debts in legal judgments and collections only, if by paying off those debts it brings the borrower's total debt-to-income to sixty percent (60%) or below. Additionally, the existing lender must be willing to accept payment from the County to bring the mortgage current.

B. REQUIREMENTS:

1. To qualify for the program, homeowner must be income qualified and property must be the primary homestead residence located in unincorporated Hillsborough County, Temple Terrace, or Plant City.
2. Must demonstrate nonpayment of their first mortgage is due to a hardship such as:
 - Prior Loss of Employment, through no fault of borrower(s)
 - Substantial Decrease in Household Income, through no fault of borrower(s)
 - Death in Family
 - Temporary or Permanent Disability that Reduces Income
 - Recent Divorce that Reduces Income
 - Unforeseen Emergency Home Repairs
 - Natural Disaster
 - Escalation of Payment on a ARM or IO Loan that has become unaffordable
 - Ineligibility for any foreclosure prevention program offered by lender

 - The County reserves the right to consider any type of hardship not listed above.
3. Maximum household income should not exceed one hundred twenty percent (120%) of Area Median Income.
4. Home value shall not exceed Hillsborough County's current maximum sales price limit.
5. Combined Loan to Value of home (1st and 2nd mortgage sum) shall not exceed one hundred thirty five percent (135%).
6. Housing Expense Ratios can not exceed thirty-eight percent (38%) on the front-end and sixty percent (60%) on the back-end (total debt-to-income).
7. For refinance consideration, total Housing Expense Ratios must be above forty-five percent (45%) with no cash back to borrower.
8. Fix rate mortgage loan is not to exceed forty (40) years with an interest rate not to exceed one (1) point above the "Fannie Mae 60-Day Rate".


9. Line of credit refinance will not be considered.
10. Lender fees cannot exceed two (2) percent of the first mortgage loan amount. Borrowers are allowed to pay a maximum of one half of a percent (1/2%) of any lender fees "Paid Outside of Closing".
11. Hillsborough County will not consider subordination to 3rd position in a loan request and we reserve the right to dismiss, deny, or approve a loan request.

C. PROCEDURE:

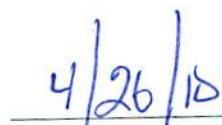
Financial Assistance recommendations will be referred by the Tampa Housing Authority (THA), a HUD approved housing counseling agency. THA will offer foreclosure intervention and default counseling to families in distress which has affected their ability to make mortgage payments. Counseling includes intervention and advocacy with mortgage servicers or lenders, referrals to community services that contribute to the homeowner's stability.

1. Foreclosure intervention and default counseling provided by THA will perform the following:
 - 1) Determine Applicant's eligibility to participate in the counseling program, identify type of assistance needed, and develop an action plan, 2) Determine Applicant's ability to maintain prompt monthly mortgage payments for a financial assistance recommendation, and 3) Submit loan request on behalf of the Applicant to the County's Affordable Housing Department (AHD) for loan approval consideration.
2. Upon receiving the loan request packet, the Affordable Housing Department housing counselor will review the submitted packet to include all documents listed in the HomeSavers Program File Checklist for loan approval determination by department director.
3. Approved loan requests will initiate a loan agreement with Applicant and check voucher creation.
4. Upon receipt of check for loan amount from Clerk's Office, AHD will be responsible for sending payment(s) directly to the payee(s) on behalf the Applicant. For Refinance Assistance, AHD will follow the loan closing procedure outlined in the First Time Homebuyer Program Policy Amended Date February 3, 2010.

APPROVED BY:



Valmarie Turner, Director



Date