

SERVICE SCHEDULE B-1

Indiana Hardest Hit Fund Unemployment Bridge Program

Summary Guidelines

1. Program Overview	Under Indiana’s Hardest Hit Fund Unemployment Bridge Program (“UBP”) the Indiana Housing and Community Development Authority (“IHCDA”) will offer qualifying individuals who are unemployed through no fault or neglect of their own a monthly benefit to cover a portion of their first mortgage and related expenses while the individual seeks new employment. When necessary, IHCDA will also provide a limited amount of funding at the outset of assistance to bring a mortgage current so that IHCDA may provide future monthly payments. IHCDA will also provide assistance (up to three months principal, interest, taxes and insurance (“PITI”) plus fees) to homeowners who were recently unemployed and accumulated a delinquency during a period of unemployment and have become re-employed but cannot bring their mortgage current with their current income (“Re-employed Borrowers”). This last category of assistance will only apply if a Re-employed Borrower: (a) qualifies in all other respects for assistance; (b) has demonstrated that they can afford mortgage payments with their post-unemployment income; and (c) does not have the means for, or otherwise qualify for another program providing, mortgage reinstatement but for HHF assistance. Assistance is subject to approval of the homeowner’s HHF Action Plan, which is a plan relating solely to TARP funded modification programs that will be developed by a housing counseling agency and approved by IHCDA.
2. Program Goals	The goal of the UBP is to cover a portion of PITI for eligible unemployed homeowners, allowing them to: 1) Secure re-employment in their occupation; or 2) Access training made available through the Indiana Department of Workforce Development that will help them secure employment in a new occupation.
3. Target Population / Areas	IHCDA’s target population is low- to moderate-income homeowners in any county in Indiana. Homeowners in the 46 counties classified as “hardest hit” will be eligible for a larger amount of assistance (\$18,000) than homeowners residing in other counties (\$12,000).
4. Program Allocation (Excluding Administrative Expenses)	\$182,652,552.15
5. Borrower Eligibility Criteria	1) Owning only one home; 2) Submission of hardship affidavit documenting inability to pay mortgage; 3) Priority of service will be extended to veterans and military personnel

	<p>(active or reserve);</p> <p>4) With respect to currently unemployed borrowers:</p> <p>a) Unemployed and eligible for unemployment insurance;</p> <p>b) Engaged in approved training, education or structured volunteer work (as defined by IHCDA);</p> <p>c) Current household income below 140% AMI adjusted for borrower household size;</p> <p>d) Agreement to pay a minimum of 15% of household income at time of enrollment toward PITI based on documentation of unemployment benefits;</p> <p>e) Receiving unemployment insurance benefits from the Indiana Department of Workforce Development (“DWD”) at the time of application;</p> <p>f) At IHCDA’s sole discretion, borrowers may be removed from the program for failing to make their required payments;</p> <p>5) With respect to Re-employed Borrowers:</p> <p>a) Annual household income at or below \$150,000.</p>
6. Property / Loan Eligibility Criteria	<p>1) Owner-occupied primary residence located in Indiana.</p> <p>2) The unpaid principal balance of the borrower’s first lien mortgage cannot exceed the conforming loan limit established by the Federal Housing Finance Agency, as modified from time to time.</p>
7. Program Exclusions	<p>1) Property is vacant, abandoned or condemned.</p> <p>2) Borrower has not exhausted or been ruled ineligible for other programs (federal or direct lender).</p> <p>3) Borrower has liquid assets sufficient to make 6 months’ worth of payments, excluding retirement accounts.</p> <p>4) Borrower is ineligible for unemployment benefits (for example, due to exhaustion of benefits, nature of job loss or no W-2 reportable wages).</p>
8. Structure of Assistance	<p>All assistance is structured as a forgivable, non-recourse, non-amortizing loan, secured by a junior lien on the property. The loan has a term of 10 years and is forgiven at a rate of 20% per year in years 6 through 10 of the loan term. If the borrower sells the property before the forgiveness period expires, all net sale proceeds up to the full principal balance outstanding will be due and payable to IHCDA. All funds returned to the UBP may be recycled until December 31, 2017; thereafter, they will be returned to Treasury.</p>
9. Per Household Assistance	<p>Total assistance per household (“Maximum Household Assistance”) is not to exceed \$18,000 in hardest hit counties or \$12,000 in balance of state.</p>
10. Duration of Assistance	<p>Up to the borrowers’ applicable amount of Maximum Household Assistance or three months after re-employment, whichever comes first. It is estimated that the average duration of assistance will be sixteen (16) months.</p>
11. Estimated Number of Participating	<p>An estimated 13,392 households will receive assistance, at an average assistance level of about \$925 per month for an average of approximately sixteen (16) months of assistance, inclusive of payments to clear delinquencies and assistance after re-employment.</p>

Households	
12. Program Inception / Duration	IHCDA launched the program on May 5, 2011. IHCDA anticipates that the program will last for approximately two (2) years after the date of launch.
13. Program Interaction with Other Programs (e.g. other HFA programs)	IHCDA manages the Homeless Prevention and Rapid Re-Housing Program (“HPRP”) funding for the balance of state Continuum of Care. IHCDA assessment tool for HPRP will incorporate screening for HHF eligibility for homeowners at risk of homelessness through foreclosure. HPRP administrators will be trained on eligibility requirements and screening for HHF. IHCDA also manages the Indiana Foreclosure Prevention Network (“IFPN”), which is a coalition of community service and housing-related organizations, government agencies, lenders, realtors, and trade associations that are actively addressing Indiana’s foreclosure crisis through a variety of methods. IHCDA anticipates contracting with some of the organizations which are providing IFPN counseling services to provide eligibility screening, intake and preliminary underwriting for HHF. Finally, IHCDA will work with DWD to coordinate efforts; for example, the availability of HHF for qualified unemployed persons may be noted in Unemployment Insurance benefit determination letters from DWD.
14. Program Interactions with HAMP	Borrowers will be pre-screened for HAMP, HAFA and HAMP-UP and programs offered by lenders. HHF funds can be utilized before or after assistance from HAMP-UP.
15. Program Leverage	No leveraging from banks and servicers is required. IHCDA enters into participation agreements with servicers interested in participating in the UBP that sets forth IHCDA’s expectations for servicers, including acceptance of payment from IHCDA and application of payment to PITI only.
16. Qualify as an Unemployment Program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No