



Indiana Homeowner Assistance Fund (IHAF)

FAQ for Providers and Mortgage Servicers

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1. Who is eligible?

To qualify for the IHAF program, at the time of the application, applicant must:

- Be a homeowner who is defined as the owner-occupant of a single-family home, condominium, 2-, 3-, or 4-family dwelling, or manufactured homes permanently affixed to real property. The home must be located in Indiana and the homeowner's primary residence.
- Have an income equal to or less than 150% area median income. [Area Median Income \(AMI\)](#)
- Have experienced a financial hardship after January 21, 2020, associated with the COVID-19 pandemic.

2. What are the requirements for a provider to participate in the IHAF Program?

In order to participate in the program, providers will be expected to:

- Sign the servicer agreement (executed between BLN and mortgage servicers only)
 - [Click here](#) for a copy of the agreement
- Register within the self-service online portal (Financial Aid Management System - FAMS) by completing a [provider onboarding form](#) or the [mortgage servicer onboarding form](#), including:
 - Provide payment Information
 - Set up secure channel to send/receive Common Data Files (CDF)

3. Is the FAMS portal secure?

The FAMS solution is a highly secure and standards-based solution built using cutting edge native cloud technologies. It is hosted on a FedRAMP certified Google cloud platform. FAMS solution has multilayered security controls on each layer and components of the solution such as Infrastructure, Databases, Services, Applications and Content. The solution is built using industry best practices such as CIS and NIST for security controls, storage, and processing of data. Data is encrypted at rest and transit on layers of the solution.

4. What types of expenses can be covered with IHAF funds?

Homeowners can apply for assistance with the following home-related expenses:

- Mortgage loan principal
- Mortgage loan interest
- Property taxes
- Insurance
- Homeowner's association fees or liens, and/or condominium association fees or liens
- Late fees, attorney fees, and most fees associated with foreclosure



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5. What are the accepted types of financial hardship?

Homeowners must have experienced a loss in income or increase in living expenses as of a result of the COVID-19 pandemic. This can include but is not limited to job loss, reduction in work hours, increased costs due to childcare, illness, or the need to care for a family member since January 21, 2020. This can include hardships that began before January 21, 2020, and continued after that date, but only costs accrued after January 21, 2020, are eligible for IHAF assistance.

6. Will homeowners receive the money directly?

No, borrowers will not receive payment directly. Assistance will be applied directly to their mortgage loan, by the loan servicer, and to municipalities, insurance companies, and homeowner's associations, for any eligible tax, insurance, and condominium fees reimbursed by this program. If, after review of a homeowner's IHAF application, the homeowner is eligible to receive assistance, they will receive details on the amount of their award and how the funds will be applied to their various accounts.

7. Will homeowners need to pay the money back?

No, all assistance is structured as a forgivable loan if the homeowner stays in the home for five (5) years (20% of the loan will be forgiven every 12 months). However, if the borrower sells the property before the five (5) years, then all net sale proceeds, up to the full outstanding principal balance at the time of the sale, will be due and payable to IHCD.

8. Is the loan forgivable by reason of death of the homeowner?

No, the IHAF loan is not forgivable by reason of death by the borrower. However, because it is a non-recourse loan, the borrower's estate has no personal liability for the debt, and IHCD is limited to collecting from the available proceeds after the sale of the property.

9. Will the benefits a homeowner receives through IHAF be considered taxable income by the IRS?

No, any assistance received through the IHAF Program for assistance with eligible home-related expenses is not considered taxable income for federal tax purposes. Eligible applicants will not be required to pay taxes on qualified assistance received through IHAF.

10. Is there a dollar limit paid out per claim?

Yes, the "maximum per household IHAF assistance" amount is capped at \$50,000 per household. Additionally, assistance is limited to one time per household.

11. How do applicants confirm that they have a COVID-related issue?

Applicants will complete a self-attestation question in the application (including job loss, lost wages, increase in expenses, etc.).



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12. What kind of assistance will be provided?

- Monthly Assistance:
 - For qualifying homeowners whose monthly mortgage payments are unaffordable based on their current household income, IHAF may provide temporary monthly assistance to cover the homeowner's first mortgage payment and related expenses.
- Monthly Assistance with Reinstatement:
 - For qualifying homeowners whose financial hardship caused, or contributed to, an accumulated mortgage delinquency (including lender forbearance) that they cannot pay, and whose mortgage payments or related expenses are unaffordable based on their current household income, IHAF may provide assistance to bring the homeowner's mortgage current, followed by temporary monthly assistance to cover the homeowner's first mortgage payment or related expenses.
- Reinstatement Only Assistance:
 - For qualifying homeowners whose financial hardship caused, or contributed to, an accumulated mortgage delinquency (including lender forbearance) that they cannot pay, but whose monthly mortgage payment is otherwise affordable based on the homeowner's current monthly household income (excluding unemployment insurance benefits), IHAF may provide assistance to bring the homeowner's mortgage or related expenses current.

13. What forms of documentation are needed for the application process?

The following type of documents may be asked for in the application, depending on the specific expenses homeowners are applying for assistance with:

- Income documents:
 - Acceptable income documents may include paystubs or other wage statements, depository institution (or bank) statements demonstrating regular income, or a statement of income from an employer
 - IRS Form 1099s and tax filings (*for self-employed applicants only*)
 - Social security, child support, unemployment, and other income statements as applicable
 - Waivers from these documentation requirements may be available if we determine that your explanation is reasonable enough to justify it
- Mortgage statements or other mortgage documents
- Property tax statements from your city or town

Additional documentation may be requested to verify a homeowner's eligibility. **TIP:**
Convert all documents to JPG, JPEG, or PDF.



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14. Do all loan types qualify for IHAF assistance?

No. The following loan types are excluded from IHAF:

- Jumbo loans that are higher than the [conforming loan limit](#) as defined by Fannie Mae
- Open “line of credit” loans
- Vacant, abandoned, or condemned properties
- Properties for which the occupant is not the deeded owner (except properties held in non-incorporated living trusts)
- Properties owned by Limited Partnerships, Limited Liability Partnerships, Limited Liability Companies, or other incorporated entities
- Properties located outside the State of Indiana

15. Are servicers/providers responsible for determining if borrowers are income eligible for IHAF?

No, servicers/providers are not responsible for determining if borrowers are eligible for IHAF. However, servicers can help by telling their delinquent borrowers about the IHAF Program and by filling out the [IHAF Servicer Agreement](#) so that servicers can more easily share data with IHCD and IHCD partners, onboard into the IHAF system, and receive faster payments.

16. Will the funds be paid directly to the servicer/provider?

Yes, any eligible costs claimed for reinstatement communicated between the servicer/provider and the borrower will be paid directly to the servicer/provider.

17. Do borrowers have to be considered for modification programs first in order to receive IHAF funds?

No, IHCD considers IHAF to be part of loss mitigation so servicers should continue to offer modifications where appropriate.

18. Who should I contact if I encounter an issue while onboarding or throughout the applicant process?

If you need assistance, please reach out to your Case Manager or contact HAF@b-l-n.com.