Mortgage Reinstatement Assistance Program

Summary Guidelines

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1. Program Overview

The Mortgage Reinstatement Assistance Program ("MRAP") is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes, but are in imminent danger of losing their home to foreclosure.

MRAP provides funds to assist income-qualified homeowners to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure.

2. Program Goals

The MRAP will prevent avoidable foreclosures by helping homeowners reinstate their past due first mortgage loans.

MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of homeowners who qualify for modification.

3. Target Population/ Areas

MRAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.

4. Program Allocation
(Excluding Administrative Expenses)

$159,400,000.00

5. Borrower Eligibility Criteria

- Homeowner must qualify as a low-to-moderate income house hold, as follows:
  - Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.
- Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.
- Homeowners who have recently encountered a financial hardship due to their military service are eligible.

- Homeowner has adequate income to sustain reinstated first- lien mortgage loan, per CalHFA MAC approved investor guidelines.
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.
- Mortgage loan is delinquent as substantiated by homeowner's hardship documentation. Loans in foreclosure are eligible.
- If the reinstatement assistance is combined with a loan modification, the homeowner's modified monthly mortgage payment ratio must be reduced to at least 38% of the gross household income (excluding unemployment benefits) to meet the definition of an affordable payment.
- On a case by case basis, CalHFA MAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.
- General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by Cal HFA MAC on a first-come/, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.
- Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.

6. Property/Loan Eligibility Criteria

- Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.
- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

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7. Program Exclusions

- Homeowner in an "active" bankruptcy is ineligible for MRAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".
- MRAP benefit assistance request for reinstatement with a first-lien PITI and any escrowed homeowner's association dues or assessments, payment of greater than 38% of the homeowner's gross monthly household income, excluding unemployment benefits will be considered unaffordable and is excluded from MRAP reinstatement benefit assistance unless that assistance is combined with a loan modification.
- Loan is less than two (2) payments past due as of the date of request for assistance.

8. Structure of Assistance

CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.

After December 31, 2017, any remaining or returned funds will be returned to Treasury.

9. Per Household Assistance

Up to $25,000 per household in total (average funding of $18,052.46) for PITI and any escrowed homeowner's association dues or assessments, arrearages (and in all cases, subject to the HHF program maximum benefit cap of $100,000 with respect to monies previously received under other HHF programs, if any).

10. Duration of Assistance

Available on a one-time only basis, per household.

Mortgage Reinstatement Assistance Program

Summary Guidelines

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11. Estimated Number of Participating Households	Approximately 8,830. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $18,052.46.
12. Program Inception/ Duration	The statewide launch of MRAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.
13. Program Interactions with Other HFA Programs	MRAP will serve as a gateway to other loss mitigation programs, including loan modification which may include principal reduction, including other HHF programs and the Principal Reduction Program.
14. Program Interactions with HAMP	MRAP will serve as a gateway to HAMP which may include principal reduction of homeowner's mortgage.
15. Program Leverage with Other Financial Resources	CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

Principal Reduction Program

Summary Guidelines

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1. Program Overview

The Principal Reduction Program ("PRP") is one of CalHFA MAC's federally-funded programs developed with a goal to provide capital to homeowners that have suffered a hardship to reduce the outstanding principal balances of qualifying properties with negative equity.

PRP will provide monies to reduce the principal balance of the first mortgage through a loan recast or in conjunction with a loan modification that includes a rate reduction, each with the purpose of establishing an appropriate level of debt for eligible homeowners with qualifying properties.

2. Program Goals

The PRP will reduce the principal balances of underwater mortgages in cooperation with participating lenders. Such lenders will recast eligible loans or provide a loan modification that includes a rate reduction, in each case to provide an incentive for qualifying homeowners to remain in their homes during this period of steep declines in value. A reduction in principal through PRP, by way of either a loan recast or loan modification, will achieve desired income ratios and affordability for a homeowner with respect to their existing mortgage.

3. Target Population/ Areas

PRP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.

4. Program Allocation
(Excluding Administrative Expenses)

$772,197,793.52

5. Borrower Eligibility Criteria

- Homeowner must qualify as a low-to-moderate income house hold, as follows:
  - Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.
- Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.

- Homeowners who have recently encountered a financial hardship due to their military service are eligible.
- Homeowner has adequate income to sustain modified mortgage payments per CalHFA MAC approved investor guidelines.
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.
- Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation. Loans in fore closure are eligible.
- The homeowner's modified monthly mortgage payment ratio must be reduced to at least 38% of the gross household income (excluding unemployment benefits) to meet the definition of an affordable payment. On a case-by-case basis, CalHFA MAC re serves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.
- General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.
- Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.

6. Property/Loan Eligibility Criteria

- Property is encumbered by a first-lien mortgage loan that was originated on or before January 1, 2010.
- Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.
- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

- PRP funds may be used in conjunction with a loan recast or a loan modification that includes a rate reduction to achieve long term sustainability for the homeowner. Loan modifica-tions that include PRP assistance must include a rate reduction and may or may not include an adjustment to term or additional forbearance to achieve affordability.

7. Program Exclusions

- Homeowner in an "active" bankruptcy is ineligible for assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".
- Homeowner fails to satisfy lender underwriting guidelines.
- Loan to value (LTV) of less than 105%.
- A loan recast or loan modification that would result in a post-modified LTV of greater than 140%.
- Homeowner's pre-modified total monthly first-lien mortgage payment PITI (principal, interest, taxes, and insurance, as applicable) and escrowed association fees is less than 31 percent of the home owner's gross monthly household income, excluding unemployment benefits as determined by CalHFA MAC at the time of a homeowner's application for assistance. Unemployment benefits may not be used to qualify for PRP assistance.

8. Structure of Assistance

In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (5) five years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.

If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the PRP assistance provided to the home-owner, then the assistance is not required to be structured as a loan to the homeowner.

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After December 31, 2017, any remaining or returned funds will be returned to Treasury.

9. Per Household Assistance

Up to $100,000 per household (average funding of $86,029.41), less program monies previously received under other HHF programs.

10. Duration of Assistance

In most cases, assistance will be available to households on a one- time only basis; provided, however, CalHFA MAC reserves the right to provide additional PRP benefits (not exceed the maximum program assistance amount per household) to previous PRP recipients if the homeowner has suffered a subsequent, valid hardship.

11. Estimated Number of Participating Households

Approximately 8,976. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000, with an average funding of $86,029.41.

12. Program Inception/ Duration

The statewide launch of PRP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.

13. Program Interactions with Other HFA Programs

PRP may be used in conjunction with MRAP aimed at reinstatement.

14. Program Interactions with HAMP

PRP may work in conjunction with a HAMP modification to help eligible homeowners achieve desired income ratios and afford-ability. PRP may also be combined or used in conjunction with the HAMP Principal Reduction Alternative (PRA). PRP funds are not eligible in any combination to qualify for HAMP PRA investor incentive compensation.

15. Program Leverage with Other Financial Resources

The goal of the program is for the applicable servicer/lender to leverage PRP funds as necessary by providing a loan modification that includes a rate reduction or loan recast to help establish an appropriate level of first mortgage debt for homeowners with qualifying properties.
CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees at the time the modification agreement is completed. CalHFA MAC will require the servicer to waive any associated recast fee.

16. Qualify as an Unemployment Program ☐ Yes ☑ No

Unemployment Mortgage Assistance

Summary Guidelines

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1. Program Overview

The Unemployment Mortgage Assistance Program ("UMA") is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes but have suffered a loss of income due to unemployment.

CalHFA MAC is partnering with financial institutions to directly provide program funds to subsidize an eligible homeowner's mortgage payments.

UMA provides mortgage payment assistance equal to the lesser of $3,000 per month or 100% of the PITI (principal, interest, tax, insurance) and any escrowed homeowner's association dues or assessments, for up to twelve (12) months, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment.

2. Program Goals

UMA's goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment.

The UMA will minimize past due payments, and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.

UMA was designed to assist homeowners who are currently receiving California Employment Development Department unemployment benefits.

UMA was designed to complement other loss mitigation programs, including increasing a homeowner's eligibility for an extended written forbearance plan and/or loan modification.

3. Target Population/ Areas

UMA is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.

Unemployment Mortgage Assistance

Summary Guidelines

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4. Program Allocation
(Excluding Administrative Expenses)

$874,995,915.28

5. Borrower Eligibility Criteria

- Homeowner must qualify as a low-to-moderate income house hold, as follows:
  - Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.
- Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.
- Homeowners who have recently encountered a financial hardship due to underemployment or unemployment, including those whose unemployment hardship is related to their military service.
- Homeowner's total monthly first-lien mortgage payment PITI and escrowed association fees (principal, interest, taxes, and insurance, as applicable) must exceed 31 percent of the homeowner's gross monthly household income, including unemployment benefits.
- Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.
- Homeowner must be currently receiving California Employment Development Department unemployment benefits.
- Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation.
- Loans in foreclosure at the time of homeowner request for assistance are not eligible.
- General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by Cal HFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.
- Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.

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6. Property/Loan Eligibility Criteria

- Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.
- The property securing the mortgage loan must not be abandoned, vacant or condemned.
- The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

7. Program Exclusions

- A Notice of Default ("NOD") has been recorded on the subject property as of the date of request for assistance or at the time homeowner requested HAMP UP forbearance from their servicer.
- Homeowner in an "active" bankruptcy is ineligible for program assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".
- Loan is in foreclosure as evidenced by a recorded NOD.
- Homeowner's "hardship" is a result of voluntary resignation of employment.
- Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.
- Homeowner becomes re-employed at any time during the UMA benefit period.
- The homeowner is not eligible for unemployment benefits from the California Employment Development Department.
- Homeowner is actively being reviewed for TAP benefits.

8. Structure of Assistance

CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the total reduced PITI and any escrowed homeowner's association dues or assessments, and equal to the total amount of HHF unemployment assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds

will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.

After December 31, 2017, any remaining or returned funds will be returned to Treasury.

9. Per Household Assistance

Up to $36,000 per household in total (average funding of $16,820.07), equaling the lesser of $3,000 per month or 100% of PITI and any escrowed homeowner's association dues or assessments (and in all cases, subject to the HHF program maximum benefit cap of $100,000 with respect to monies previously received under other HHF programs, if any).

10. Duration of Assistance

Homeowner participation in UMA is limited to twelve (12) months maximum.

11. Estimated Number of Participating Households

Approximately 52,021. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $16,820.07.

12. Program Inception/ Duration

The statewide launch of UMA was January 10, 2011 and it will continue up to five (5) years or until funding is fully reserved.

13. Program Interactions with Other HFA/Programs

UMA will serve as a gateway to homeowner programs aimed at reinstatement and principal reduction, as permitted by program guidelines.

14. Program Interactions with HAMP

This benefit may precede or extend HAMP, including HAMP UP, for temporary unemployment assistance which when combined may provide assistance for more than one year. HAMP UP currently offers a minimum of twelve months' forbearance for some homeowners.

15. Program Leverage with Other Financial Resources

Upon completion of all UMA benefit assistance payments and based on homeowner need, the servicer agrees to consider an extension of unemployment forbearance plan (such as HAMP UP or other propri-

etary program) or other foreclosure prevention program, as applicable and per investor guidelines.

CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).

16. Qualify as an Unemployment Program

☑ Yes ☐ No