

NOTICE TO MORTGAGE SERVICERS
Vermont COVID Emergency Mortgage Assistance Program

The State of Vermont has set aside \$5,000,000 for a Mortgage Assistance program to help Vermonters with low and moderate incomes who have missed making mortgage payments due to the COVID-19 emergency. This program will be administered by the Vermont Housing Finance Agency (VHFA). This assistance is NOT limited to mortgages funded through VHFA programs, but is available to ALL qualifying Vermont homeowners for their mortgages on their primary residences.

Eligibility for this program may change based on demand, but it currently is limited to:

- Owners of Vermont residences where the home is their primary residence;
- Mortgagors who meet certain income limitations;
- A mortgagor has had a COVID-19 related economic impact that has affected their ability to pay their mortgage;
- The mortgage to be assisted is a first-lien mortgage (not a home equity loan, home equity line or reverse mortgage);
- The mortgage was in effect before March 1, 2020; and
- The mortgage to be assisted is delinquent by at least two months (mortgages in forbearance or deferral are still eligible so long as the mortgagor has missed at least two regular payments).

Awards under the Mortgage Assistance Program (MAP) will be made as payments directly to mortgage Servicers on behalf of qualifying consumer applicants. Servicers will be contacted by VHFA with respect to applications VHFA has received, and **Servicers will be required to confirm to VHFA information regarding the mortgage**, including late payments, provide electronic payment instructions, agree that funds received will be applied to the indicated late payments, and upon receipt of the funds, the mortgagor will no longer be considered to be liable with respect to those payments.

Your assistance in working with your borrowers in providing information to VHFA is essential to successful operation of this program. Failure of a Servicer to respond to VHFA requests for information or to timely provide the certifications required may result in making the mortgagor ineligible for the grant and will be reported to DFR and the State Legislature.

In order for this program to launch next week as expected, we need to receive a contact name from your company that VHFA can use for this purpose. Please send the contact information to mortgageassistance@vhfa.org.

Attached is a brief outline of program terms and requirements for your reference in the event you are contacted by a borrower or by VHFA.

VHFA has a website created for this program at www.vhfa.org/map. Any requests for information from VHFA should be sent to mortgageassistance@vhfa.org.

Vermont COVID Emergency Mortgage Assistance Program
Outline of Grant Terms

- This program is for Vermonters who are behind on their mortgages on their principal residences (mortgages in forbearance or deferral are still eligible so long as the mortgagor has missed at least two regular payments).
- The program is limited to primary home mortgages – not home equity lines, not home equity loans and not reverse mortgages. Does NOT have to be a VHFA loan.
- The program is limited to home mortgages entered into prior to March 1, 2020.
- Owners of mobile homes in mobile home parks are eligible for assistance with their lot rental payments through the Vermont State Housing Authority and are not eligible for mortgage assistance.
- Grants will be for up to three months of regular mortgage payments (PITI and any PMI).
- Mortgagors will not receive the funds directly. Funds will be transmitted to the mortgage Servicer on the Mortgagors' behalf.
- Prior to issuance of funds for a Mortgagor, the Servicer will be required to confirm to VHFA information regarding the mortgage, including late payments, provide electronic payment instructions, agree that funds received will be applied to the indicated late payments, and upon receipt of the funds, the mortgagor will no longer be considered to be liable with respect to those payments.
- Failure of the Servicer to respond to VHFA requests for information or to timely provide the certifications required may result in making the mortgagor ineligible for the grant.
- VHFA intends to prioritize applicants with lower incomes and most at risk of foreclosure, but given the limited amount of funds and the limited time to review applications and distribute awards there is no assurance that any individual application will be funded.
- The current proposed timeline is for applications to be received between mid-July and August 31 (this period may be shortened with little to no notice if application volume exceeds expectations). VHFA intends to then have all awards for eligible applicants made by September 30.
- If funds remain available after the initial round of eligible applications are funded, VHFA will open up a separate round of funding.