



Texas Emergency Mortgage Assistance Program (TEMAP)

Implementation Workshop

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June 8, 2021

Agenda

- Texas Emergency Mortgage Assistance Program (TEMAP) Overview
- Timeline
- Program Guidelines
- Monthly Reporting & Draws
- Forms & Resources
- Next Steps
- Q&A Session



Housekeeping

- Material and trainings will be available at TDHCA website:
www.tdhca.state.tx.us/CDBG-CARES.htm
- Dedicated Q&A Session at the end of the Webinar
- During the Webinar, submit questions via the Question function
- Questions will be answered during Q&A Session
- FAQs will be posted on the TDHCA website

Texas Emergency Management Assistance Program

Program Goal

Help stabilize Texas LMI Homeowners impacted by the Coronavirus with up to six months of mortgage assistance.

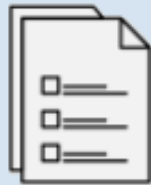
Program Part	# of Organizations	Total Allocated Funding
A	7	\$2,879,690
B	14	\$5,729,690
C	19	\$13,914,745

TEMAP Process



Homeowners learn from:

- ✓ Program Administrator
- ✓ Outreach Efforts
- ✓ Local Referrals
- ✓ Other Fair Housing Activities



APPLY

Homeowners apply through local Program Administrator



CERTIFY

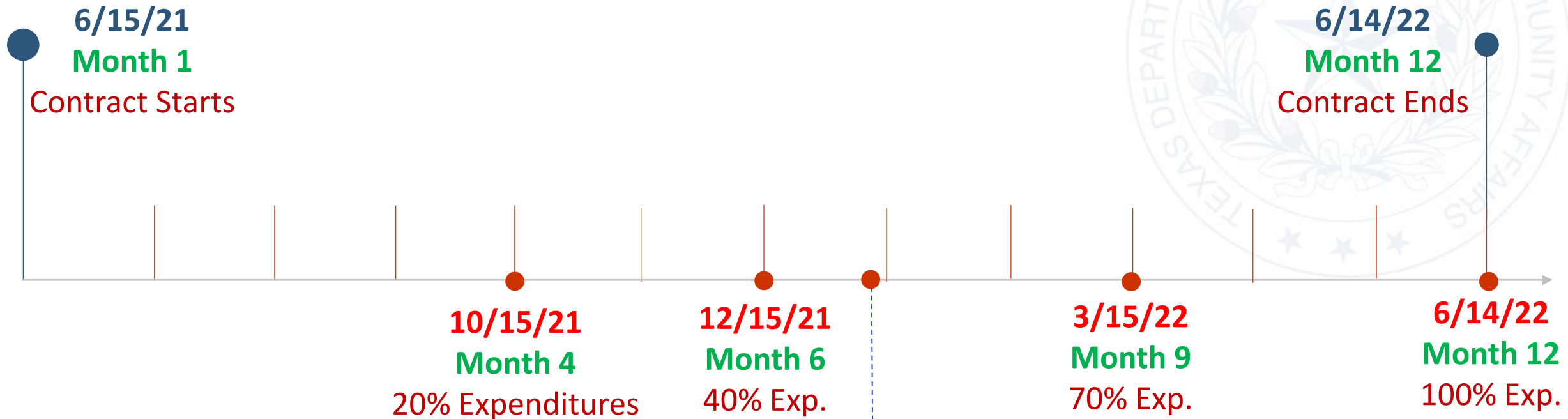
Applicants must meet eligibility requirements



RECEIVE

Up to 6 **total** months of assistance. Up to 5 months of arrears.

Timeline + Benchmarks



All Contract funds must be 100% obligated by 12/31/2021

All Applications must be received by this deadline.

- and -

All Clients have been approved for payment.

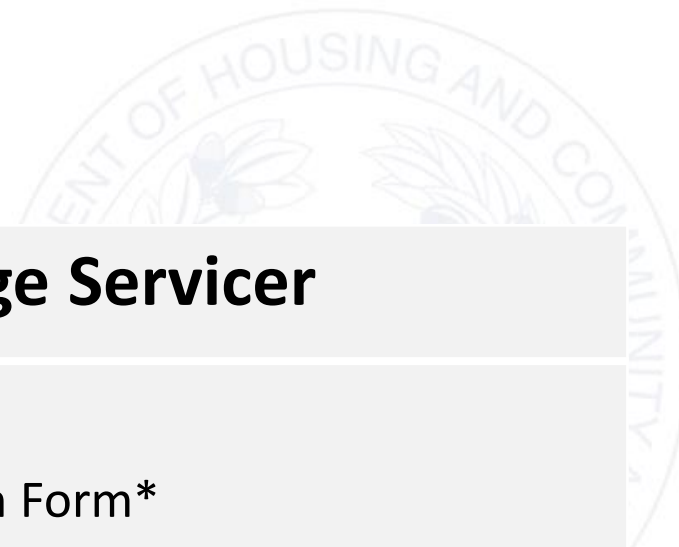
PROGRAM GUIDELINES OVERVIEW

Program Guidelines Overview

- Program Documents
- Eligibility Requirements
- Duplication of Benefits (DOB)
- Income Determination
- Mortgage Limits, Payments, and Eligible vs. Ineligible Expenses
- Lead-Based Paint Requirements
- Subawards and Subcontracts
- Administration Draw Limit
- Monthly Reporting



Program Documents



Homeowner/Applicant

Required:

- ✓ Homeowner Application*
- ✓ Homeowner Certification*
- ✓ Homeowner Assistance Letter*
- ✓ Household Income Certification*
- ✓ Applicant Release of Information*
- ✓ Evidence of Income Eligibility
- ✓ Mortgage Statement(s)

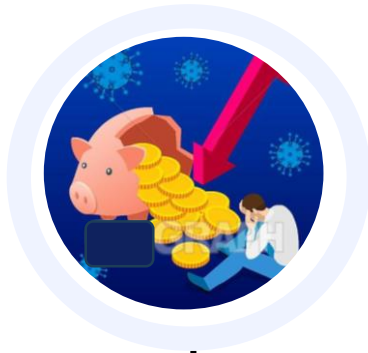
Mortgage Servicer

Required:

- ✓ Mortgage Certification Form*
- ✓ IRS W-9*
- ✓ Direct Deposit or Other Method of Payment

**Forms will be provided by TDHCA for organizational use only.*

Homeowner Eligibility Requirements



COVID-19
IMPACT



INCOME
ELIGIBILITY



MORTGAGE
ELIGIBILITY



NO DUPLICATION
OF BENEFITS

Mortgage Servicer Eligibility Requirements



ELIGIBLE
LENDER STATUS

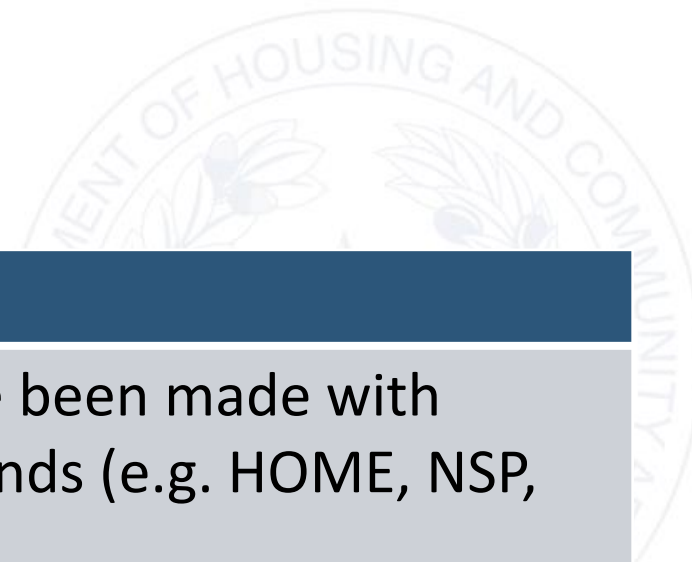


ELIGIBLE LOAN
TYPE



NO DUPLICATION
OF BENEFITS

Types of Mortgages



Mortgage Type	Allowable Costs
First Lien Mortgage	<ul style="list-style-type: none">• The first lien mortgage must not have been made with federal, state, or local government funds (e.g. HOME, NSP, CDBG, CDBG-DR, HTF etc.).
First and Second Lien Mortgages	<ul style="list-style-type: none">• If paying first and second lien mortgage, the mortgages must be part of the same months of assistance.• If second lien mortgage was funded with Federal, state or local funds, Homeowner may still be eligible to receive a payment for the first lien mortgage.

Eligibility Questions

1. Is the homeowner seeking assistance for their primary residence?

— NO →

Not Eligible

YES ↓

2. Is their income at or below 80% AMI?

— NO →

Not Eligible

YES ↓

3. Is the loan an eligible loan and the mortgage lender eligible?

— NO →

Not Eligible

YES ↓

4. Is the mortgage at or below 150% FMR/SAFMR?

— NO →

Not Eligible

YES ↓

5. Is the mortgage in first or second lien position?

— NO →

Not Eligible

YES ↓

If the answer is YES to all questions, the Homeowner may be Eligible

Duplication of Benefits (DOB)

Geographic Distribution

- Every geographic area is prohibited from being covered by more than one Subrecipient.
- No overlap in service area.

State Cross Reference Check
Coming Soon!
Ex. Serv-U Portal

Check with other local providers
for Duplication of Benefits.

Combining CDBG + CDBG-CV Funds

- ✓ Clients who have received regular **CDBG** assistance in the past may still be eligible for TEMAP.
- ✓ Clients can receive assistance for:
 - Up to *3 months with regular CDBG*
 - Up to additional 6 months with CDBG-CV
 - A total of 9 months for different months
 - Assistance must be provided for consecutive months

DOB Analysis

Step 1: Assess Need

Determine the amount of need.

Step 2: Determine Assistance

Determine the amount of assistance that has or will be provided from all sources to pay for the cost.

Step 3: Calculate Unmet Need

Determine unmet need by subtracting the amount of assistance already provided by the maximum CDBG-CV award (unmet need).

Step 4: Document Analysis

Document calculation and maintain adequate documentation justifying determination of maximum award.

DOB Analysis Example

SCENARIO:

A household that has suffered job loss due to the economic impact of the Coronavirus seeks mortgage assistance under a CDBG-CV Emergency Payment program for:

- 3 months of arrears payments and
- 2 months of current/future mortgage payments.

Step 1: Assess Need

Monthly Mortgage = \$1,000
(within 150% of SMFR or FMR limits)

Potential Total Need:
 $\$1,000 \times 5 \text{ months} = \$5,000$

Step 2: Determine Assistance

The homeowner applicant reported that they received \$250/month for the past three months from a local faith based organization, but that aid is no longer available. The homeowner applicant certified that it has not applied for assistance from any other source.

Step 3: Calculate Unmet Need

Potential Total Need: \$5,000
Other Assistance Received: \$750
($\$250 \times 3 \text{ months}$)

Actual Unmet Need (Maximum Award):
 $\$5000 - \$750 = \$4,250$

Step 4: Document Analysis

Maintain documentation of calculation and justification to confirm amount of unmet need.

Income Determination

Income Level	Documentation Needed
Zero Income to 60% of AMI	Self Certification Form
If household size is 6 or less & receiving SNAP, LIHEAP or SSI for the head or co-head of household	Enrollment documentation -or- Email from source agency
7 or more Household Members	Income Verification
61% to 80% of AMI	Income Verification

Mortgage Limits



Texas Emergency Mortgage Assistance Program (TEMAP) Mortgage Limit Calculator

Source & Instructions

The tool utilizes the 2021 Fair Market Rent HUD released at <https://www.huduser.gov/portal/datasets/fmr.html>
 When a small area FMR (SAFMR) is available, the SAFMR will be used; otherwise choose the county to identify the county FMR.
 The zip code list comes from the 2020 2nd Q Zip County crosswalk HUD released at https://www.huduser.gov/portal/datasets/usps_crosswalk.html.

Enable editing in the spreadsheet, if necessary.

Use dropdown to pick a zipcode to retrieve the Small Area Fair Market Rent (SAFMR) for the area. The SAFMRs are by bedrooms(BRs).

78501

If zip code is not listed, clear cell A5, and use dropdown below to choose the county. Press esc or cancel if you need to correct the county.

	0 BR	1 BR	2 BR	3 BR	4 BR
FMR/SAFMR	580.00	580.00	750.00	970.00	1,090.00
150% - Maximum Allowable Mortgage Payment	870.00	870.00	1,125.00	1,455.00	1,635.00

The FMRs for homes larger than 4 BRs are calculated by adding 15% to the 4 BR FMR for each extra bedroom.
 (<https://www.huduser.gov/portal/datasets/fmr/fmr2021/FY2021-ScheduleB.pdf>)



INELIGIBLE

Mortgage is above the applicable 150% SAMFR or FMR

150%

ELIGIBLE

Mortgage at or below the applicable 150% SAMFR or FMR



Mortgage Limits Calculator



Mortgage: Eligible vs. Ineligible Costs

Eligible

Payments must be made directly to an Eligible Lender.

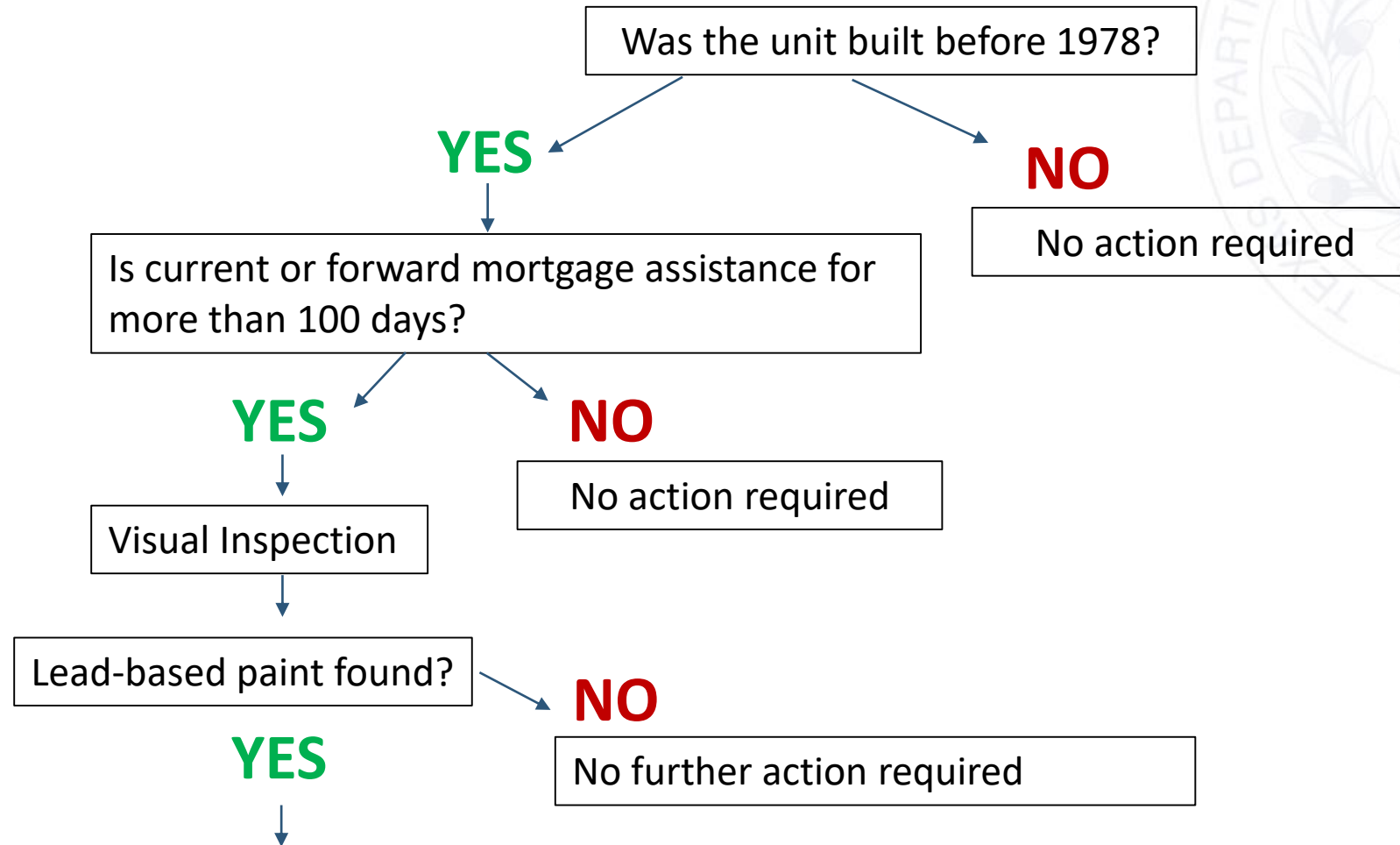
- W-9 Required
- Payments can be made through direct deposit or check

- Up to 6 consecutive months with at least one future mortgage payment.
- Principal
- Interest
- Taxes
- Insurance
- Late Fees – Homeowners should first negotiate with Lender for forgiveness and/or reduction
- Mortgage Arrears
- Forbearance Payments
- At least one month must cover a month of a future mortgage payment.
- All escrowed first mortgage expenses including principal, interest, property taxes, and insurance (escrow must have been established with the mortgage and managed by the Lender)
- FHA, VA, or USDA backed mortgages where no federal, state, or local funds were involved

Ineligible

- Contract for Deed
- “Rent to Own” or “Lease to Own”
- HOA Fees
- Special Assessments
- Mortgages funded by federal, state, or local government funds (e.g. HOME, NSP, CDBG, CDBG-DR, HTF).

Lead-Based Paint Requirements



No assistance can be provided until remediated

Subawards and Subcontracts

Subawards

- Subrecipient can subaward program and admin funds directly to:
 - Unit of local government
 - Council of government
 - Public housing authority
 - Nonprofit
- Subawardees may not further subaward funds
- Subrecipient must ensure subawardee complies with all Contract terms
- Subrecipient must follow subaward process outlined in Section 17 F of the contract
 - *If intending to subaward, please complete [Subawardee Form](#) by July 15, 2021*

Subcontracts

- For goods or services
- Paid out of administrative funds
- Must be procured in accordance with 2 CFR Part 200, UGMS, and 10 TAC §1.404
- Subrecipient must ensure subcontractor complies with all Contract terms
- Department maintains the right to monitor subcontractors

Affirmative Marketing

Program should incorporate strategies to reach persons least likely to apply for the program:

- Persons with disabilities
- Persons with limited English proficiency
- Minorities
- Extremely low and very low income persons



Monthly Reporting and Draws

Monthly Activity Reports

Monthly Performance Report	Aggregate-Level Data
Monthly Expenditure Draws	Project and Admin
Monthly Report by Household	Household-Level Data

- Due on the 15th of every month and covers the preceding's month activities
- Online Reporting via the **Housing Contract System (HCS)**
 - **HCS Link:** [Login \(state.tx.us\)](http://state.tx.us)
 - Contract Administrators and Signature Authorities should have already received usernames and passwords for HCS.
 - **If you have not received this, please contact us!**
 - We will hold another Webinar for Reporting in HCS.

Administration Draw Limit

After 40% of Admin funds are drawn, TDHCA will not reimburse Admin costs at a rate that exceed 20% higher than the percentage of budgeted project funds expended.

Admin Draw Limit Calculator



<u>TERAP Maximum Admin Draw Calculator</u>		
Subrecipient:	XYZ County	
Current Month:	October-21	
Draw amounts can be found in the TDHCA Housing Contract System (HCS)		
Source:		
HCS	Total award amount:	\$ 500,000.00
HCS	Project / Activity Funded amount:	\$ 435,000.00
HCS	Admin Funded amount:	\$ 65,000.00
	<i>40% of Admin funds</i>	\$ 26,000.00
	<i>*no calculation is needed prior to 40% of admin drawn</i>	
HCS	Admin - Total Drawn-to-date	\$ 40,000.00
HCS	Project - Total Drawn-to-date	\$ 77,000.00
	Project - CURRENT month Project Draw request	\$ 10,000.00
	Total Project (Drawn-to-date plus CURRENT Draw)	\$ 87,000.00
	MAXIMUM CURRENT Admin Draw:	Zero

<u>TERAP Maximum Admin Draw Calculator</u>		
Subrecipient:	City of ABC	
Current Month:	October-21	
Draw amounts can be found in the TDHCA Housing Contract System (HCS)		
Source:		
HCS	Total award amount:	\$ 500,000.00
HCS	Project / Activity Funded amount:	\$ 435,000.00
HCS	Admin Funded amount:	\$ 65,000.00
	<i>40% of Admin funds</i>	\$ 26,000.00
	<i>*no calculation is needed prior to 40% of admin drawn</i>	
HCS	Admin - Total Drawn-to-date	\$ 40,000.00
HCS	Project - Total Drawn-to-date	\$ 250,000.00
	Project - CURRENT month Project Draw request	\$ 10,000.00
	Total Project (Drawn-to-date plus CURRENT Draw)	\$ 260,000.00
	MAXIMUM CURRENT Admin Draw:	\$ 12,000.00

Next Steps

- ❑ Complete Contact Information Form by 6/11/21
- ❑ Sign Contract by 6/15/21
 - If you cannot meet deadline please notify:
Erica Garza, CDBG CARES Manager
Erica.Garza@tdhca.state.tx.us
- ❑ Upcoming Training Video: Housing Contract System
- ❑ 1st Monthly Report/Draws Due: 7/15/21
 - Contract Administrators and Signature Authorities should have already received usernames and passwords for HCS.
 - [If you have not received this, please contact us!](#)



Q&A Session

Contact Us

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Evaluation

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