

## Emergency Home Loan Program Data Reporting Requirements

DRAFT 11/26/2010

The implementing agency may use forms that it deems appropriate for this program. There are minimum data elements that agencies must collect from each borrower as well as documentation requirements and certification requirements. The minimum data elements will be required to be extracted and sent to HUD on a regular schedule. The documentation and certifications should be maintained on file by the implementing agency until 5-years (I MADE THIS UP, NEED TO GET SOME LAWYER TO SUGGEST) after the loans are extinguished.

### **REQUIRED DATA ELEMENTS**

Every month, three applicant/loan level extracts will be provided to HUD with specific data elements. Each monthly extract will reflect the most current data for all applicants/loans in the data system. The detailed data requirements are attached. The extract files will include:

- *Application Data. It will include all data for applications in process, funded, or modified.*
- *Loan Initiation Data. It will include all data for loans that are initiated and not yet completed. It will also show information on any modifications made to a loan commitment or loan payment after initiation.*
- *Loan Completion Data. It will include all data for loans that have been finalized or cancelled.*

### **REQUIRED CERTIFICATION REQUIREMENTS (\*\*NEEDS LAWYER REVIEW, ALSO NEED TO SEE IF WE CAN USE THE PRA NUMBER BELOW\*\*\*)**

Applicants will need to sign a variety of certifications as part of the application process. The minimum language for consent and certifications required by HUD are:

"I/We \_\_\_\_\_ [Applicant's Name(s)], do certify that I was at least three months delinquent in my monthly mortgage payments as of {Program Threshold Date}, and that {Name of borrower's lender or loan servicer} has notified me/us that I/we am at least three months delinquent in my monthly mortgage payments as of {Program Threshold Date}."

"I/We certify that the information given to the Emergency Homeowner Loan Program on household composition, income, and medical condition, as applicable, is accurate and complete to the best of my/our knowledge and belief."

"I/We consent to allow the U.S. Department of Housing and Urban Development and its partners operating the Emergency Home Loan Program, to contact current, future or previous employer(s) (for employment hardship and income verification), along with your physician and medical insurance provider(s) (for medial hardship) for additional information to clarify or support your application."

“ I/We also consent for the U.S. Department of Housing and Urban Development and its partners to periodically obtain credit reports and/or state or federal records on employment and unemployment to support my application and to ensure program compliance until the EHLP loan is extinguished. ”

“I declare under penalty of perjury that the foregoing is true and correct. Furthermore, I understand that Title 18 (Crimes and Criminal Procedure), Section 1001 (Statements or entries generally) of the U.S. Code states that a person may be found guilty of a felony for knowingly and willingly making a materially false or fraudulent statement to any executive department of the United States Government. I/We also understand that false statements or information are grounds for termination of program assistance.”

### **REQUIRED APPLICATION STATEMENTS**

Applications must include the following statements at or near the beginning of the application:

“This application is for a deferred payment loan through the U.S. Department of Housing and Urban Development’s Emergency Homeowners Loan Program (EHLP) to pay mortgage payments for up to 24 months or \$50,000. If applicants are approved and compliant with program requirements, which includes staying current on your mortgage after the end of the loan payments and continuing to live in the home, the loan will be forgiven 20 percent per year over five years. To be eligible for assistance, you must:

- Have suffered a reduction in income of 15% or more as a result of involuntary unemployment or underemployment due to adverse economic conditions or medical conditions.
- Have had an income of no more than 120% of the area median income before the reduction in income.
- Be at least three months delinquent on mortgage payments.
- Have received written notice from the holder of the mortgage its intention to foreclose on the mortgage and you certify that circumstances make it probable that there will be a foreclosure.
- There is a reasonable prospect that you will be able to make the adjustments necessary for full resumption of mortgage payments and meet other housing expenses and debt obligations within two years. We estimate this based on you having a current monthly debt load from all loans of less than 55% of your income before it was reduced.
- Be living in the mortgaged property as your principal single family residence (1 to 4 unit structure or condominium unit).

If approved for a loan, you will be required to make payments of the larger of \$25 or 31% of your income to [fiscal agent] who will subsequently make payments to your lender/loan servicer for the full amount of back payments owed and your monthly payments. Failure to make your payment to [fiscal agent] by the 15<sup>th</sup> of each month will result in the fiscal agent suspending payment to the lender/loan servicer. Two missed payments and you will be terminated from the program.”

Applications must include the following statements at or near the end of the application:

“If you believe you have been discriminated against, you may call the Fair Housing and Equal Opportunity National Toll Free Hot Line at 1-800-669-9777, TDD 1-800-927-9275.

## FEDERAL PRIVACY ACT NOTICE

**PURPOSE:** For the purposes of the HUD Emergency Homeowner Loan Program (EHL), applicant household income and other information is being collected by the U. S. Department of Housing and Urban Development (HUD) and its program partners to determine an applicant's eligibility, the estimated loan amount, and the amount the applicant must pay toward their mortgage.

**USE:** HUD uses family income and other information to assist in managing and monitoring HUD-assisted programs; to protect the Government's financial interest; and to verify the accuracy of the information furnished. HUD and/or its program partners may conduct a computer match to verify the information you have provided. This information may be released to appropriate Federal, State and local agencies, when relevant, and to civil, criminal or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law.

**PENALTY:** You must provide all the information requested by the housing counseling agency, including social security numbers of the borrower and co-borrowers in your household. Giving the social security numbers is mandatory, and not providing these will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

**AUTHORITY FOR INFORMATION COLLECTED:** The following laws authorize the collection of this information by HUD and/or any of its program partners: the U. S. Housing Act of 1937 (42 U.S.C., 1437 et seq.), Title VI of the Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968. The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and residents to submit the social security numbers of all household members at least six (6) years of age.

**PAPERWORK REDUCTION ACT:** This data collection is approved by the Office of Management and Budget, Control Number: 2502-0261; Expiration Date: 09/30/2012."

## **REQUIRED DOCUMENTATION REQUIREMENTS**

EHL requires that NeighborWorks obtain from borrowers applying for program assistance supporting documentation of pre-event and current income, employment/unemployment, medical hardship, and loan status. Below is an example checklist of documents that can be used to verify those items. This minimum documentation is to be maintained by the implementing agency and provided to the FHA National Service Center (NSC) at time of loan transfer:

### ***Unemployment***

#### **Wage/Salaried Employee Applicant**

- \_\_\_\_\_ The applicant's written notification of termination (and severance agreement, as applicable) from their most recent employer; **and**
- \_\_\_\_\_ The applicant's last two consecutive paystubs issued previous to loss of employment;  
**or**
  - o \_\_\_\_\_ In the event that applicant is unable to submit the last two consecutive paystubs issued previous to loss of employment, they shall submit a Verification of Employment letter, signed by their employer/supervisor, and specifying what their pre-event level of income was; **and**
- \_\_\_\_\_ The applicant's most recent unemployment insurance benefits statement; **and**
- \_\_\_\_\_ The applicant's most recent federal income tax return or W2.

**Self-Employed Applicant: Sole Proprietorship**

- \_\_\_\_\_ The applicant's most recent Individual Tax Return (IRS Form 1040); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule C (self-employed, but not incorporated); **and**
- \_\_\_\_\_ The applicant's most current net profit or loss statement for their business; **and**
- \_\_\_\_\_ The applicant's most recent unemployment insurance benefits statement.

**Self-Employed Applicant: Partnership, Corporation, or Limited Liability Corporation (LLC)**

- \_\_\_\_\_ The applicant's most recent Individual Tax Return (IRS Form 1040); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule E (net income of Partnership, Corporation, or LLC); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule K-1 (documenting the percent of ownership and the distribution of income or profits); **and**
- \_\_\_\_\_ The applicant's most recent IRS Form 1065 (for Partnerships only: Partnership ordinary income and guaranteed payments); **or**
- \_\_\_\_\_ The applicant's most recent IRS Form 1120S (for Corporations and LLCs only: Ordinary income and Other income); **and**
- \_\_\_\_\_ The applicant's most recent Corporate W-2 (as applicable); **and**
- \_\_\_\_\_ The applicant's most recent unemployment insurance benefits statement.

## **Underemployment**

### **Wage/Salaried Employee Applicant**

- \_\_\_\_\_ **If due to layoff or termination of previous full-time position**, the applicant's written notification of termination (and severance agreement, as applicable) from their most recent employer; **or**
- \_\_\_\_\_ **If due to downgrade of position from full-time to less-than full-time status**, the applicant's official notification from their employer officially reassigning the applicant's position from full-time to less-than full-time status; **and**
- \_\_\_\_\_ The applicant's last two consecutive paystubs issued previous to the reduction in their wage/salary; **and**
- \_\_\_\_\_ The two most recent consecutive paystubs issued since the reduction in their previous wage/salary; **or**
  - o \_\_\_\_\_ In the event that applicant is unable to submit the last two consecutive paystubs, pre- and/or post-event, they shall submit a **Verification of Employment** letter, signed by their employer/supervisor, and specifying what their pre-event level of income was, as well as their current level of income; **and**
- \_\_\_\_\_ The applicant's most recent federal income tax return or W2.

### **Self-Employed Applicant: Sole Proprietorship**

- \_\_\_\_\_ The applicant's most recent Individual Tax Return (IRS Form 1040); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule C (self-employed, but not incorporated); **and**
- \_\_\_\_\_ The applicant's most current net profit or loss statement for their business.

### **Self-Employed Applicant: Partnership, Corporation, or Limited Liability Corporation (LLC)**

- \_\_\_\_\_ The applicant's most recent Individual Tax Return (IRS Form 1040); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule E (net income of Partnership, Corporation, or LLC); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule K-1 (documenting the percent of ownership and the distribution of income or profits); **and**
- \_\_\_\_\_ The applicant's most recent IRS Form 1065 (for Partnerships only: Partnership ordinary income and guaranteed payments); **or**

- \_\_\_\_\_ The applicant's most recent IRS Form 1120S (for Corporations and LLCs only: Ordinary income and Other income); **and**
- \_\_\_\_\_ The applicant's most recent Corporate W-2 (as applicable).

***Serious Injury or Other Medical Emergency:***

**NOTE:** For purposes of applying for assistance under the Program, the terms "injury" and "medical emergency" apply solely to the applicant. The applicant must demonstrate how their injury and/or medical emergency has negatively affected their ability to earn the same amount of and income as had been the case before their injury and/or medical emergency.

**Wage/Salaried Employee Applicant**

- \_\_\_\_\_ **If the injury and/or medical emergency directly or indirectly results in layoff or termination**, the applicant's written notification of termination (and severance agreement, as applicable) from the applicant's most recent employer; **or**
- \_\_\_\_\_ **If the injury and/or medical emergency directly or indirectly results in downgrade or applicant's current position from full-time to less than full-time status**, applicant's official notification from their employer officially reassigning the applicant's position from full-time to less-than full-time status; **and**
- \_\_\_\_\_ The applicant's last two consecutive paystubs issued previous to the elimination of or reduction in their wage/salary; **and**
- \_\_\_\_\_ The applicant's last two consecutive paystubs issued since the reduction in their wage/salary, as applicable; **or**
  - o \_\_\_\_\_ In the event that applicant is unable to submit the last two consecutive paystubs, pre- and/or post-event, they shall submit a **Verification of Employment** letter, signed by their employer/supervisor, and specifying what their pre-event level of income was, as well as their current level of income, as applicable; **and**
- \_\_\_\_\_ In the case of unemployment due to medical emergency/serious injury, the applicant's most recent statement of applicant unemployment insurance benefits; **and**
- \_\_\_\_\_ The applicant's most recent federal income tax return or W2; **and**
- \_\_\_\_\_ A signed statement by the applicant's attending physician(s) describing the nature and extent of the applicant's injury or other medical emergency; **and**
- \_\_\_\_\_ A signed letter of explanation from the applicant detailing how their injury/medical emergency has negatively affected their ability to earn the

same amount of income as had been the case before their injury and/or medical emergency. The applicant's letter of explanation shall conclude with the following text just above the signature line: "I declare under penalty of perjury that the foregoing is true and correct."

#### **Self Employed Applicants: All Cases**

- **If the injury and/or medical emergency directly and negatively affects the applicant's income and/or their ability to manage their business in the same capacity at which they were able to operate prior to the injury/medical emergency**, a letter of explanation shall be submitted by the applicant to describe both the nature of the injury/medical emergency and its impact on the applicant's income and/or ability to manage their business. The borrower's letter of explanation shall conclude with the following text just above the signature line: "I declare under penalty of perjury that the foregoing is true and correct."; **or**
- **If the injury and /or medical emergency directly or indirectly results in downgrade of the applicant's ability to operate the business from full-time to less than full-time status**, a letter of explanation describing the new status and income will be required. The borrower's letter of explanation shall conclude with the following text just above the signature line: "I declare under penalty of perjury that the foregoing is true and correct."; **and**
- A signed statement by the applicant's attending physician(s) describing the nature and extent of the applicant's injury or other medical emergency.

#### **Self-Employed Applicants: Sole Proprietorship**

- Individual Tax Return (IRS Form 1040); and
- IRS Schedule C (self-employed, but not incorporated); and
- Net profit or loss statement for business; and
- Value of depreciation; and
- Most recent statement of applicant's unemployment insurance benefits (as applicable).

#### **Self-Employed Applicant: Partnership, Corporation, or Limited Liability Corporation (LLC)**

- \_\_\_\_\_ The applicant's most recent Individual Tax Return (IRS Form 1040); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule E (net income of Partnership, Corporation, or LLC); **and**
- \_\_\_\_\_ The applicant's most recent IRS Schedule K-1 (documenting the percent of ownership and the distribution of income or profits); **and**
- \_\_\_\_\_ The applicant's most recent IRS Form 1065 (for Partnerships only: Partnership ordinary income and guaranteed payments); **or**
- \_\_\_\_\_ The applicant's most recent IRS Form 1120S (for Corporations and LLCs only: Ordinary income and Other income); **and**
- \_\_\_\_\_ The applicant's most recent Corporate W-2 (as applicable); **and**

- \_\_\_\_\_ The applicant's most recent unemployment insurance benefits statement (as applicable).

**MEDICAL EXPENSES RESULTING FROM MEDICAL EMERGENCY/SERIOUS INJURY**

APPLICANT EMERGENCY/INJURY	Medical Service Provider	Related Monthly Medical Expenses
		\$
		\$
		\$
		\$
	<b>TOTAL MONTHLY APPLICANT MEDICAL EXPENSES</b>	\$

**APPLICANT PHYSICIAN AND MEDICAL INSURANCE PROVIDER (if applying for EHLP due to medical emergency/serious injury ONLY)**

**Physician Name:** \_\_\_\_\_

**Physician Address:** \_\_\_\_\_

\_\_\_\_\_

**Physician Phone Number:** \_\_\_\_\_

**Insurance Provider Name:** \_\_\_\_\_

**Applicant Insurance Policy Number:** \_\_\_\_\_

**Insurance Provider Address:** \_\_\_\_\_

\_\_\_\_\_

**Insurance Provider Phone Number:** \_\_\_\_\_

**Loan Delinquency**

\_\_\_\_\_ Written notification from lender or loan servicer informing you that you are 3 or more months delinquent in your monthly mortgage payment; and



\_\_\_\_ Any specific notification you have received from your lender or loan servicer notifying you of their intention to foreclose upon your mortgage.