

# Connecticut's Housing Assistance Fund Pilot Program

**Connecticut Housing Finance Authority**  
Special Achievement: COVID-19 Response

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As part of the American Rescue Plan Act, Connecticut received \$123 million in Homeownership Assistance Funds (HAF) to assist homeowners who have been impacted by the COVID-19 pandemic. These dollars are targeted to low- to moderate-income homeowners with at least \$73.8 million (or 60 percent) set aside for homeowners with income less than or equal to 100 percent of area median income (AMI). Connecticut allocated \$50 million specifically targeted to homeowners with an income of 80 percent or less of AMI. The HAF program in Connecticut has been aptly named MyHomeCT.

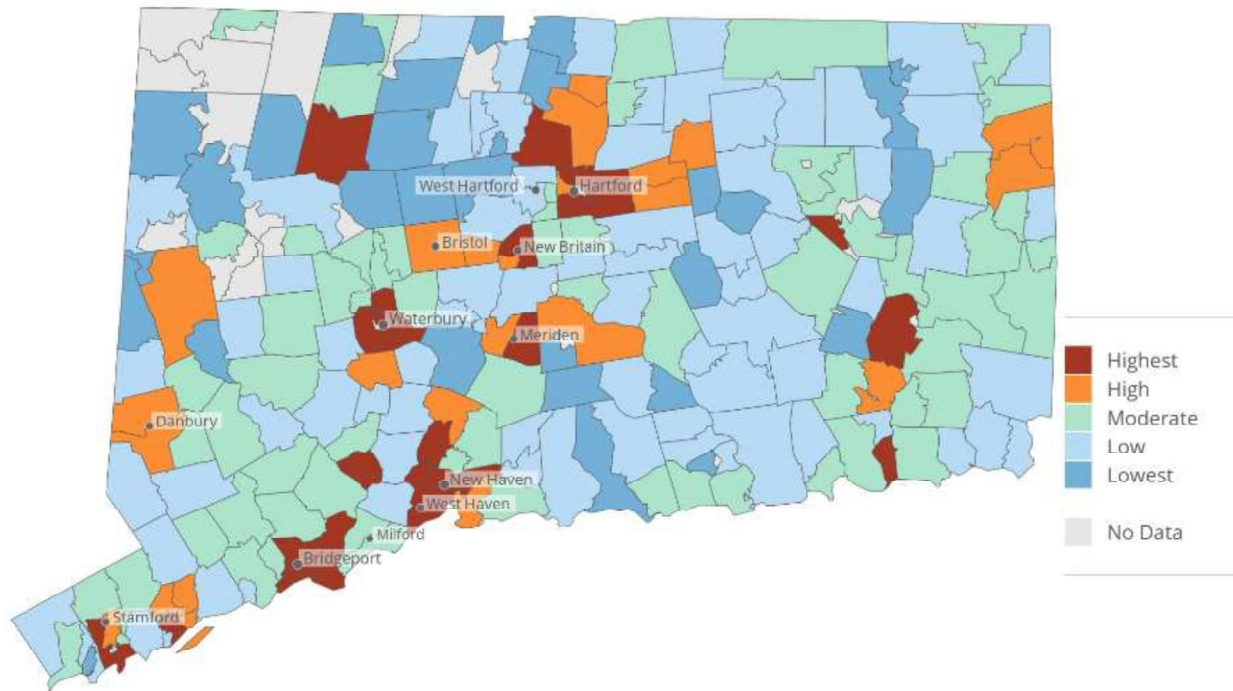
To meet the evolving needs of Connecticut's homeowners more quickly, and with the looming expiration of critical forbearance programs, Connecticut was one of a handful of states that opted to run a pilot program leading up to the rollout of MyHomeCT. Ultimately, the pilot provided \$4.8 million to more than 300 low- and moderate-income households in need of immediate assistance. In the process, CHFA was able to accomplish three goals that were critical to the design and launch of the full HAF program: 1) develop and test a data-driven needs assessment that reflected community-level conditions; 2) more clearly identify and articulate the actual needs of homeowners based on broad outreach to frontline stakeholders, with a specific focus on assisting low- and moderate-income households; and 3) design innovative and transparent methods for sharing the program's impact with local, state and national stakeholders.

**Driven By Data, Focused on Impact**

To understand the impact that COVID-19 has had on Connecticut's homeowners and to prioritize limited resources, CHFA developed a comprehensive and data-driven assessment of homeowner needs. The assessment uses data from the American Community Survey, the Connecticut Department of Labor, Black Knight Inc., the Atlanta Federal Reserve Mortgage Performance Dashboard, and other sources to demonstrate the clear demand for the pilot and full HAF programs. At the time that the assessment was being put together, CHFA estimated an eligible population of about 18,620 homeowners, with particularly high demand in low- and moderate-income and majority-minority neighborhoods.

While these data sources offer useful insight at the state and county level, understanding localized challenges required a more nuanced approach. To estimate the housing and economic distress and social disadvantage experienced at the zip code level, CHFA developed a Homeowner Hardship Index (HHI) (see Figure 1). The HHI considers a range of indicators to identify areas with the highest risk of experiencing delinquency and foreclosure. Connecticut's zip codes were then ranked on each indicator relative to their position amongst other zip codes and assigned a score between 1 and 235 (the total number of zip codes used in the sample), with a higher score indicating greater hardship. The scores were then summed across each metric to calculate a total risk score. Each indicator was assigned an equal weight during the ranking. Location and demographic data for pilot applications and awards were cross-checked against the HHI to ensure proper calibration heading into the full program. CHFA has used the HHI to inform its initial outreach to public officials and community leaders. CHFA continues to use the Index to prioritize marketing and community outreach events for MyHomeCT.

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*Figure 1: Homeowner Hardship Index map*

**Launching the Pilot: Eligible Homeowners**

On July 1, 2021, the pilot officially launched. Many of the core eligibility criteria adopted into MyHomeCT were initially tested during the pilot. For example, applicants were required to live in Connecticut and occupy the property as their primary residence. An eligible property could be either a one-to-four-unit house, condominium, or manufactured home. In response to emerging data, the pilot was divided into three phases, each intended to meet the needs of a particular segment of homeowners:

**Phases 1 & 2: Mortgage Assistance**

The first two phases of the pilot provided a one-time mortgage reinstatement grant to eligible households to cover past due mortgage payments. To be eligible for a grant, households had to show their ability to make monthly mortgage payments going forward. The first phase was targeted to households earning less than or equal to 80% AMI; the second phase was open to those earning less than or equal to 100% AMI. Because building an in-house application intake and processing system would take time, CHFA partnered with mortgage loan servicers who collected applications from anyone within their portfolios who had fallen behind on their mortgage regardless of whether they were a CHFA customer.

**Phase 3: Non-Mortgage Assistance**

With many homeowner protections scheduled to sunset in fall 2021, the pilot needed to reach homeowners in imminent danger of losing their homes through an active third-party (non-mortgage) foreclosure. To reach those most vulnerable to losing their homes, CHFA worked

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closely with the Connecticut Fair Housing Center, a nonprofit civil rights organization, to assist their clients, conduct outreach, and take in applications. Like in the first two phases, a one-time reinstatement grant was provided for homeowners with qualifying non-mortgage expenses such as non-escrowed property taxes, homeowners and flood insurance premiums, water and sewer fees and charges, homeowners' association or planned unit development fees, special assessments, and ground lease or lot payments. Any grants awarded were transferred directly to the lien holder or creditor. Due to the uncertain and prolonged timing these actions might take, Phase 3 was held open until MyHomeCT launched on May 2, 2022.

Homeowners had the option to apply to both grants not to exceed a total of \$20,000.

**Interactive Reporting and Pilot Results**

To provide partners and the residents of Connecticut with the most up to date information regarding the utilization of the program funding, CHFA built a publicly facing [interactive dashboard](#)<sup>1</sup> that provided information on applications received and awarded, the funds disbursed, and basic demographic information on grant recipients. The pilot dashboard served as a model for the MyHomeCT dashboard that will become available in the coming months.

During the pilot, CHFA received 437 applications with 345 applicants receiving awards. Nearly 85 percent of award recipients had lost their job, were furloughed, or experienced a loss of income due to the pandemic. Another five percent of recipients experienced a financial hardship due to loss of daycare or having to be home once schools went virtual, and just under five percent of recipients lost income due to becoming ill from COVID-19 or having to take care of a family member with COVID-19. The median grant amount awarded was \$14,844 totaling nearly \$4.8 million grant funds. The median household income served was approximately \$50,000, well below the state's median of \$78,444.

**Pilot Recipient Testimonial: Kristin's Story**

*More than one-third of Connecticut's homeowners have lost employment income due to the pandemic. Like so many in Connecticut, Kristin's family fell on hard times. With two young children at home and only one income, it was becoming difficult to keep up with housing expenses: "...I got a call one day that saved everything. My mortgage servicer called to tell me about the MyHomeCT program and encouraged me to apply. The application process was easier than I expected, and the amazing relief the program provided was more than I could have ever hoped for. It gave my family a second chance, and we are beyond grateful. Thank you so much to CHFA for keeping my family in our home and our mortgage current!"*

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<sup>1</sup> HAF Pilot Interactive Dashboard: <https://www.chfa.org/haf-pilot-dashboard/>

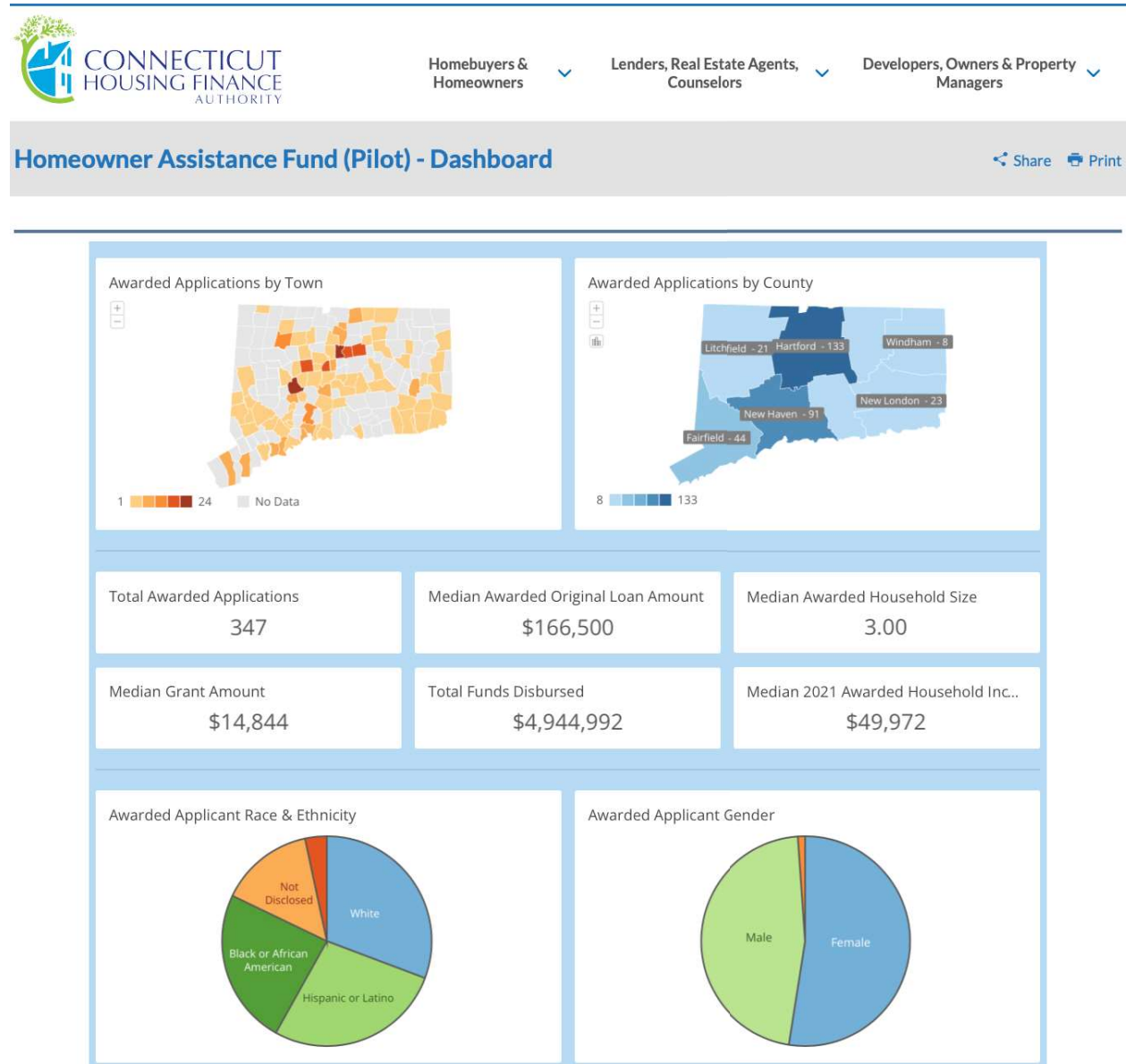
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# Visual Aides

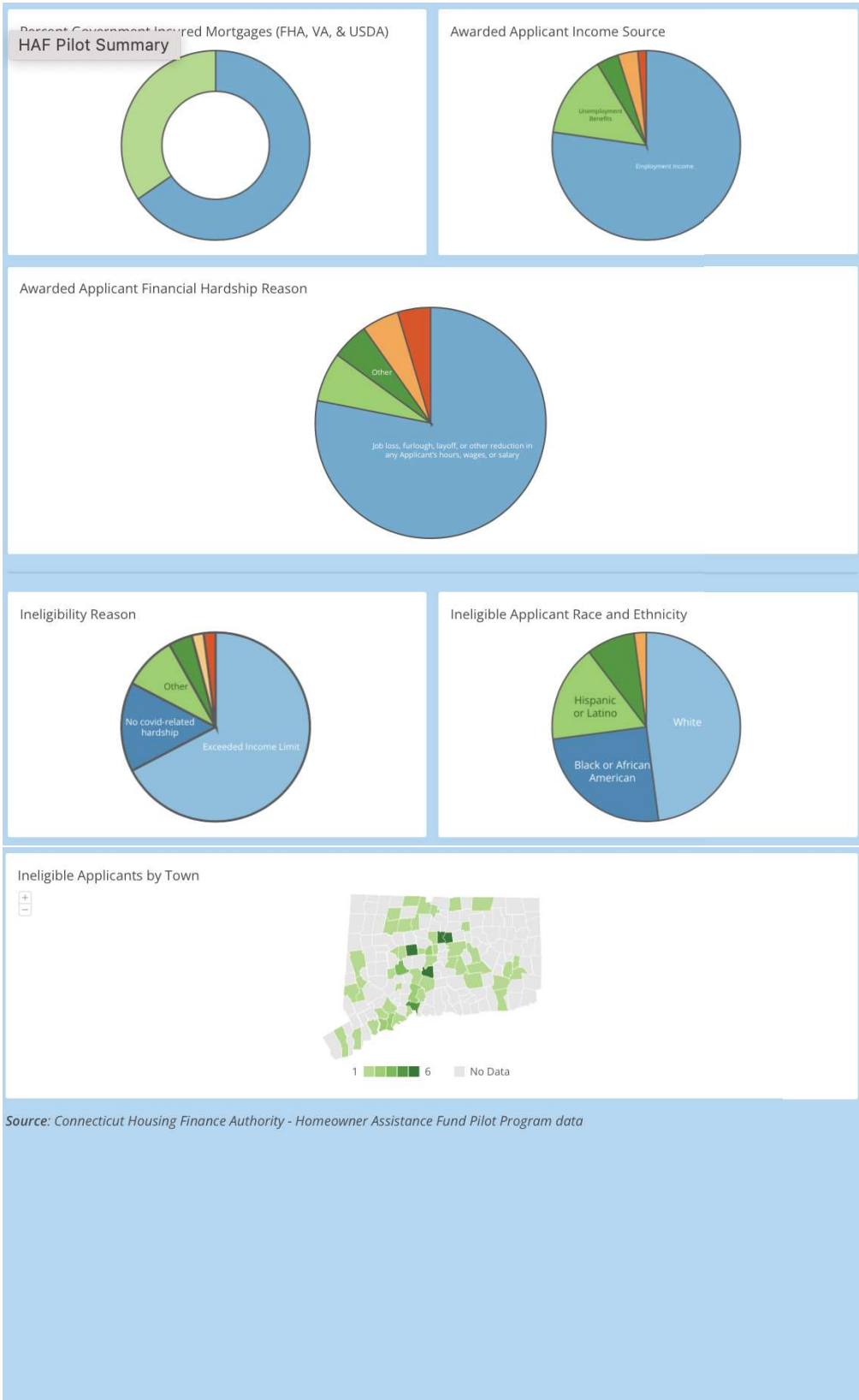
(Dashboard & Publications)

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Link to Interactive Dashboard: <https://www.chfa.org/haf-pilot-dashboard/>



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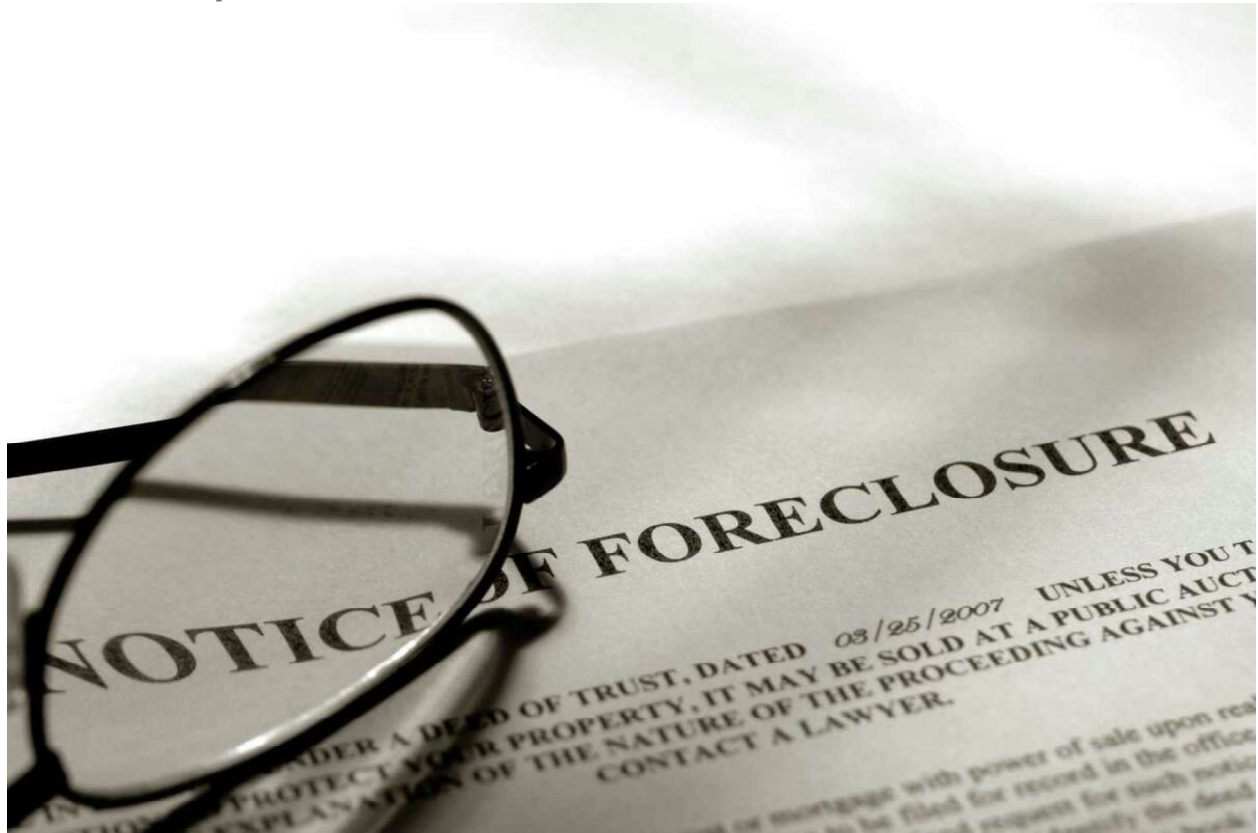


## Business

# \$7 million remains in Connecticut's COVID mortgage assistance fund

[Ginny Monk](#)

Oct. 27, 2021 Updated: Oct. 27, 2021 10:13 a.m.



A state pilot program in Connecticut aims to prevent a wave of foreclosures as forbearance options end for many homeowners, and there's still millions left in that program after the first two phases of the pilot. (Dreamstime/TNS)

Dreamstime /TNS / TNS

Connecticut doled out nearly \$4.9 million in mortgage assistance during the first two phases of its homeowner assistance program, leaving just over \$7 million in unused federal funds.



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That money is set to be used to help cover set-up costs for the full Homeowner Assistance Fund Program such as advertisements, other marketing fees and the price to establish a web portal for applications through an outside vendor, said Nandini Natarajan, chief executive officer at the Connecticut Housing Finance Authority.

The finance authority is also internally discussing a possible third phase with unused dollars ahead of the full program's start. But details have not been finalized, Natarajan said.

Natarajan said that may be in early 2022.

"We're doing everything we can to get ready," she said. "We're working on building out the software platform and cranking away on trying to get that stuff ready so when we do hear, we can launch."

The program, funded through the American Rescue Plan Act of 2021, aims to prevent foreclosures at owner-occupied houses for people who were financially impacted by COVID-19. Connecticut was one of just a handful of states that launched a pilot program.

The pilot program was funded with about \$12 million, and \$10 million of that was designated for direct assistance. The full program is set to be funded with about \$123 million.

The programs aim to prevent foreclosures following the pandemic. During the pandemic, the federal government allowed up to 18 months of forbearance, or temporary freezes on mortgage payments. Many of those options are expiring this fall.

Connecticut has a particularly high rate of 90-day mortgage delinquency, data shows.

Connecticut's full program will have higher income eligibility limits, include people facing foreclosure for tax delinquencies and other fees and have more participating mortgage service providers, Natarajan said.

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It will also allow assistance of up to \$30,000. The pilot program only allowed up to \$20,000 in assistance.

The state pilot program provided 341 homeowners with assistance. The median grant amount was \$14,844, and the largest number of awardees were from Hartford County, according to data released this week.

“We were able to get 341 applications funded, which I thought was a good number for really only working with a few servicers,” Natarajan said. “I was pleased that there seems to be a good spread of applicants across Connecticut.”

The largest number of applicants — 268 — also cited financial hardship caused by job loss, furlough or reduced wages during the pandemic. Other reasons for financial loss included loss of self-employment, having to stay home with a child when schools and day cares closed and caring for a sick relative or applicants who lost income when they contracted COVID-19, the data shows.

And most reported that their incomes came from a job. Loraine Martinez Bellamy, an attorney at the Connecticut Fair Housing Center who focuses on foreclosure prevention, said she suspects many of those were people who fell behind early in the pandemic.

Many of her clients are back at work, Martinez Bellamy said.

She said the low percentage of people who were ineligible points to a process that doesn't have overly burdensome documentation requirements.

“I was at least happy to see that they disbursed almost \$5 million,” she said.

But the pilot program only allowed for mortgage assistance. Many people in Connecticut are facing foreclosure because of tax delinquencies, condominium association fees or other bills, she said.

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Throughout the pandemic, there were more safeguards in place for people facing foreclosure because of mortgage delinquency, and mortgage foreclosures tend to move more slowly than foreclosures of other types, Martinez Bellamy said.

“Those are the folks that are most at risk of losing their house while the program is being developed,” she said.



Written By

[Ginny Monk](#)

Ginny Monk covers real estate and consumer issues across Connecticut. She's a native of Arkansas and last worked on the Arkansas Democrat-Gazette investigations team covering housing and child welfare. She has a degree in journalism from the University of Arkansas.

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Link to the Original News Article: [https://www.ctinsider.com/business/article/Facing-foreclosure-Connecticut-has-7-million-16567596.php?utm\\_campaign=CMS%20Sharing%20Tools%20\(Premium\)&utm\\_source=share-by-email&utm\\_medium=email](https://www.ctinsider.com/business/article/Facing-foreclosure-Connecticut-has-7-million-16567596.php?utm_campaign=CMS%20Sharing%20Tools%20(Premium)&utm_source=share-by-email&utm_medium=email)

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## **Homeowner Assistance Fund Program Update:**

The State of Connecticut Department of Housing (“DOH”) in collaboration with the Connecticut Housing Finance Authority (“CHFA”) are seeking public input regarding a draft [Homeowner Assistance Fund \(“HAF”\) Plan](#) prior to submission of the final plan to the United States Treasury Department.

The [Homeowner Assistance Fund \(HAF\)](#) offers assistance to income-qualifying homeowners to resolve a mortgage delinquency and assist with forbore amounts caused by income loss and/or greater expenses due to COVID-19 that have negatively impacted a household's ability to make their mortgage payments.

The plan also includes assistance for qualified non-mortgage expenses, including but not limited to the following:

- Non-escrowed real estate taxes and insurance
- Non-escrowed homeowner's insurance and flood insurance
- Condominium or homeowners' association fees

The comment period begins on September 8 and ends on September 17 at 5 p.m. To submit comments and to participate in the public hearing on September 17 at 10 a.m. click [here](#).


Sign up [here](#) to receive all of the latest information on the HAF program.

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[www.chfa.org](http://www.chfa.org)

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*The Connecticut Housing Finance Authority, acting on behalf of the State of Connecticut and in collaboration with the Department of Housing, is offering the*

# Homeowner Assistance Fund

*This limited-time program offers assistance to low- and moderate-income homeowners to resolve mortgage delinquency caused by income loss and/or greater expenses due to the COVID-19 pandemic.*

This opportunity is available to [INSERT SERVICER NAME] customers *only*.

## Eligibility threshold may include:

- The property must be located in Connecticut and must be a primary residence.
- Homeowner must be current as of 1/1/20.
- Homeowner's household income shall NOT exceed 80% of the 2021 Area Median Income.
- see [www.chfa.org/haf](http://www.chfa.org/haf) for complete eligibility requirements

## How to apply:

- Step 1 - visit [chfa.org/haf](http://chfa.org/haf) for more program information.
- Step 2 - contact your servicer for more information and to apply.

Terms and conditions apply. Funds are limited.

For more information and to apply, contact your servicer:

[INSERT SERVICER NAME] | Phone: [INSERT SERVICER PH. #]





*Connecticut Housing Finance Authority,  
en representación del estado de Connecticut y en colaboración con  
el Departamento de Vivienda, ofrece el*

## Fondo de asistencia para propietarios de vivienda

*Este programa por tiempo limitado ofrece asistencia a propietarios de vivienda con ingresos bajos y moderados para pagar moras hipotecarias originadas por la pérdida de ingresos y/o el aumento de gastos como consecuencia de la pandemia de COVID-19.*

Esta oportunidad solo está disponible para clientes de [insert servicer name].

### El límite de elegibilidad puede incluir:

- La propiedad debe estar ubicada en Connecticut y debe ser una residencia principal.
- El propietario de la vivienda debe haber estado al día el 1/21/20.
- Los ingresos del grupo familiar del propietario de la vivienda NO deben superar el 100% de la mediana de ingresos para el área en 2021.
- Consulte [www.chfa.org/haf](http://www.chfa.org/haf) para acceder a todos los requisitos de elegibilidad.

### Cómo presentar una solicitud:

- Paso 1: visite [chfa.org/haf](http://chfa.org/haf) para obtener más información sobre el programa.
- Paso 2: comuníquese con su administrador de préstamos para obtener más información y presentar una solicitud.

Aplican términos y condiciones. Los fondos son limitados. Comuníquese con su administrador de préstamos para obtener más información y presentar una solicitud:

Insert Servicer Name

Insert Telephone Number

