



July 27, 2021

The Honorable Janet Yellen  
Secretary, U.S. Department of the Treasury

Transmitted via Email

Dear Secretary Yellen:

On behalf of the National Council of State Housing Agencies<sup>1</sup> and the Housing Policy Council,<sup>2</sup> thank you for your efforts to date to help the housing market return to normalcy, while ensuring homeowners who continue to need assistance to stay in their homes have access to targeted support. The Homeowner Assistance Fund (HAF), enacted as part of the American Rescue Plan, is one such targeted program.

Mortgage servicers and state agencies that will administer the HAF program share the Treasury's objective to efficiently utilize federal funds to provide assistance to borrowers in need. Many of our members worked with the Obama Administration's Treasury Department in the aftermath of the Great Recession to implement the Hardest Hit Fund (HHF) program, which is the predecessor to the HAF. After a challenging start-up period, the HHF was a resounding success, resulting in significantly lower foreclosures than would have occurred otherwise and generating billions in savings for local governments and housing system participants.<sup>3</sup>

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<sup>1</sup> NCSHA represents the nation's state housing finance agencies. As a nonprofit, nonpartisan organization, none of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

<sup>2</sup> The Housing Policy Council is a trade association comprised of the leading national mortgage lenders and servicers, mortgage and title insurers, and technology and data companies. HPC advocates for the mortgage and housing marketplace interests of its members in legislative, regulatory, and judicial forums.

<sup>3</sup> Moulton, Stephanie, Yung Chun, Stephanie Pierce, Holly Holtzen, Roberto G. Quercia, and Sarah Riley, "Does Temporary Mortgage Assistance for Unemployed Homeowners Reduce Longer Term Mortgage Default? An Analysis of the Hardest Hit Fund Program," October 30, 2020.

In implementing the HHF, state housing agencies and mortgage servicers learned that, while some programmatic variation among states is to be expected in light of differing state-specific homeownership needs, a common national program infrastructure is essential. Specifically, the Obama Administration's Treasury Department developed a Common Data File and a Servicer Agreement template that applied to all state HHF programs. Both were central to the HHF's ultimate success. Our organizations each recommended the Biden-Harris Administration do the same for the HAF.

**Today, we are pleased to share complete, detailed proposed templates for a Common Data File (attached to the email), Program Administrator-Servicer Cooperation Agreement for the HAF (enclosed), and Third-Party Authorization for the program (enclosed).** States are using these templates now as they reach out to servicers and launch pilot programs.

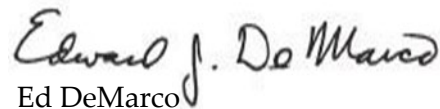
Each of these work products is the result of many hours of analysis, discussion, and compromise among mortgage servicers and state housing agencies. Each should substantially inform and accelerate Treasury's development of program components that are essential for the timely launch and successful execution of the HAF. We ask that you incorporate these model documents and practices into your HAF materials and guidance for program administrators, either as a requirement or as a "best practice," to promote and reinforce the benefits of standardized processes and practices across the country. We look forward to working with Treasury and other administration staff to refine the details, as appropriate. Time is of the essence.

Finally, we urge you to publish as soon as possible the long-awaited HAF program guidance and application templates states need to submit their HAF program plans to Treasury, as the department's rules require. While some states have submitted plans and begun pilot programs, almost all are operating under considerable uncertainty and a growing sense of urgency. We are concerned the delay in getting states the basic information they need to meet Treasury's planning requirements is an increasing risk factor for the HAF's timely launch around the country. With speedy action by the department, that risk can be mitigated.

Regards,



Stockton Williams  
Executive Director  
National Council of  
State Housing Finance Agencies



Ed DeMarco  
President  
Housing Policy Council