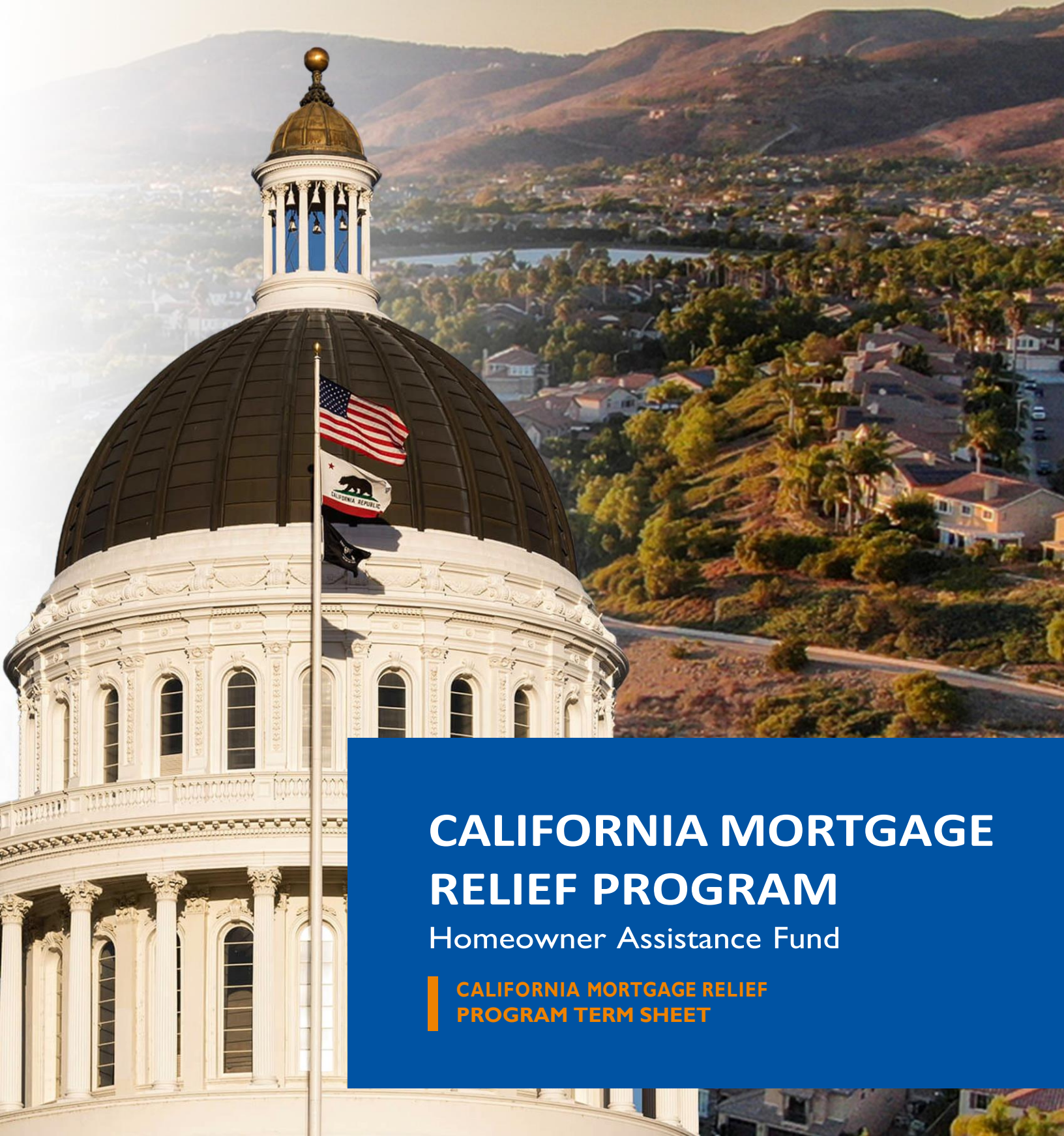




California Housing Finance Agency



# CALIFORNIA MORTGAGE RELIEF PROGRAM

Homeowner Assistance Fund

**CALIFORNIA MORTGAGE RELIEF  
PROGRAM TERM SHEET**

## California Mortgage Relief Program (“Program”) Property Tax Assistance Term Sheet

The U.S. Treasury first issued guidance for the use of the Homeowner Assistance Fund “HAF” funds on April 14, 2021. As an eligible entity approved to participate in HAF, the California Housing Finance Agency “CalHFA” entered into a Financial Assistance Agreement with U.S. Treasury and received 10% of California’s total allocation amount on June 22, 2021. In August 2021, CalHFA launched a pilot phase of the Program using funds from that initial allocation of California’s HAF funds. Upon Treasury approval on December 17, 2021, CalHFA allocating \$750 million to a program for full reinstatement of mortgage and reverse mortgage payments owed. Through its continued evaluation of the needs of Californians, CalHFA allocated \$150 million for this additional program to assist homeowners that are behind on property taxes only, either because they don’t have a mortgage, or their mortgage payments are current. The program began accepting applications for this utility on June 13, 2022.

<p><b>Property Tax Assistance Goal</b></p>	<ul style="list-style-type: none"> <li>• To address housing instability and foreclosure by providing financial assistance to eliminate past due and obligated payments of unescrowed property taxes.</li> </ul>
<p><b>Size of Property Tax Assistance Allocation</b></p>	<ul style="list-style-type: none"> <li>• CalHFA has allocated \$150 million to use for Property Tax Assistance. Requests to amend this program may be made, based on the constant monitoring and reporting of results against goals.</li> </ul>
<p><b>Targeting and Outreach</b></p>	<ul style="list-style-type: none"> <li>• CalHFA will affirmatively target socially disadvantaged and vulnerable homeowners using a data-driven approach that uses a combination of Qualified Census Tract data (HUD) and the Owner Vulnerability Index (UCLA). This will include data-driven targeted marketing and community engagement along with engaging housing counselors, as well as using levers in the program design to ensure that outcomes effectively prioritize socially disadvantaged individuals.</li> <li>• CalHFA is also working with the California Association of County Tax Collectors and directly with County Treasurers on targeted outreach.</li> </ul>
<p><b>Eligible Homeowners</b></p>	<ul style="list-style-type: none"> <li>• Homeowner must currently own and occupy the property in California as their primary residence.</li> <li>• Homeowner must meet the Homeowner Income Eligibility Requirements.</li> <li>• Homeowner must not own and occupy more than one property (up to 4 units)</li> <li>• Homeowner must attest that they experienced a financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship.</li> <li>• The unpaid property tax balance of the homeowner’s property tax delinquency must include property taxes due after January 21, 2020.             <ul style="list-style-type: none"> <li>» Homeowners who were delinquent on property taxes prior to January 21, 2020 who entered into a repayment plan with the County, but then could not make the required payments due to a Qualified Financial Hardship will be eligible.</li> </ul> </li> <li>• Co-owners are not permitted to separately apply for the Program assistance.</li> <li>• Receiving other forms of governmental assistance, including other forms of COVID-19 assistance from the CARES Act, Consolidated Appropriations Act of 2021 or the American Rescue Plan Act, does not disqualify a household from the Program.</li> </ul>

<p><b>Eligible Legal Ownership Structures</b></p>	<ul style="list-style-type: none"> <li>• Those where the home is owned by a “natural person” (i.e., LLP, LP or LLC do not qualify)</li> <li>• Those where the homeowner has transferred their ownership right into a Living Trust, provided the homeowner remains a beneficiary of such trust and occupies the home as their primary/principal residence.</li> </ul>
<p><b>Qualified Financial Hardship</b></p>	<ul style="list-style-type: none"> <li>• A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, property tax default, foreclosure, or displacement for a homeowner. <ul style="list-style-type: none"> <li>» <b>Reduction of Income</b> – Temporary or permanent loss of household earned income after January 21, 2020.</li> <li>» <b>Increase in Living Expenses</b> – Increase in out-of-pocket household expenses such as, medical expenses, inadequate medical insurance, increase in household size, or costs to reconnect utility services directly related to the coronavirus pandemic after January 21, 2020.</li> </ul> </li> <li>• Homeowner must complete and sign the Affidavit which includes an attestation of Qualified Financial Hardship.</li> </ul>
<p><b>Homeowner Income Eligibility Requirements</b></p>	<ul style="list-style-type: none"> <li>• To be eligible for assistance, all household members must have a collective income equal to or less than 150% of the Area Median Income adjusted by household size (AMI) based on HUD Homeowner Assistance Fund income limits.</li> <li>• Homeowners cannot have cash on hand, or assets that can be rapidly converted to cash, that is equal to or greater than the relief funds needed + \$20,000. (This program defines cash/assets as cash or assets that can be converted into cash in a short amount of time, including things like money market instruments and marketable securities. This excludes savings in a tax-advantaged retirement account).</li> </ul>
<p><b>Homeowner Prioritization</b></p>	<ul style="list-style-type: none"> <li>• 60% of California’s total allocated funds will be reserved for those making at or below 100% of their AMI.</li> <li>• CalHFA will prioritize funding to socially disadvantaged homeowners, defined as Californians that live in Qualified Census Tracts (QCT) or areas with “high” and “highest” vulnerability values on the Owner Vulnerability Index (OVI), developed by the UCLA Center for Neighborhood Knowledge. <ul style="list-style-type: none"> <li>» 40% of the California’s total allocated funds will be reserved for the previously defined socially disadvantaged homeowners.</li> </ul> </li> </ul>
<p><b>Eligible Properties</b></p>	<ul style="list-style-type: none"> <li>• “Eligible Properties” are: <ul style="list-style-type: none"> <li>» Single-family (attached or detached) properties</li> <li>» Condominium units</li> <li>» 1-4 unit owner-occupied</li> <li>» Mobile Homes permanently affixed to property</li> </ul> </li> <li>• “Ineligible Properties” are: <ul style="list-style-type: none"> <li>» Vacant or abandoned</li> <li>» Second homes</li> <li>» Investment property</li> </ul> </li> </ul>

<p><b>Eligible Uses of Property Tax Assistance Proceeds</b></p>	<ul style="list-style-type: none"> <li>• <b>Existing past due and obligated property taxes.</b> <ul style="list-style-type: none"> <li>» Must include at least one property tax installment payment past due at time of application for assistance, including any voluntary or involuntary assessments</li> <li>» Delinquency must occur prior to March 1, 2023.</li> </ul> </li> <li>• <b>Exclusions:</b> <ul style="list-style-type: none"> <li>» Escrow amounts attributable to delinquent property tax payments that are deferred or capitalized as a result of mortgage forbearance exit plans are not eligible.</li> </ul> </li> </ul>
<p><b>Maximum Per Household</b></p>	<ul style="list-style-type: none"> <li>• Eligible households can receive up to \$20,000 in assistance toward their past due and obligated property taxes.</li> <li>• Households that receive assistance through this program are also eligible to receive other assistance through the California Mortgage Relief Program, with a combined assistance cap of \$80,000. See Mortgage Relief program term sheet for more information.</li> </ul>
<p><b>Assistance Type</b></p>	<ul style="list-style-type: none"> <li>• Assistance will be structured as a non-recourse grant.</li> </ul>
<p><b>Payout of Property Tax Assistance</b></p>	<ul style="list-style-type: none"> <li>• CalHFA will disburse assistance directly to the applicable County Tax Collector.</li> <li>• CalHFA will disburse the amount quoted by the applicable County Tax Collector that is inclusive of all taxes, fees, and interest, not to exceed \$20,000, with any discrepancies to be resolved by the homeowner and applicable County Tax Collector.</li> </ul>
<p><b>Program Launch</b></p>	<ul style="list-style-type: none"> <li>• CalHFA launched the program on June 13, 2022.</li> </ul>
<p><b>Program Duration</b></p>	<ul style="list-style-type: none"> <li>• The period of performance for the HAF program ends on September 30, 2026, however CalHFA plans to allocate all funds by September 30, 2025.</li> </ul>
<p><b>Program Application Process</b></p>	<ul style="list-style-type: none"> <li>• Applications will be accepted online through the Outreach Navigator and Intake Review (ONAIR) Portal. All applications will be entered into the online portal and reviewed on the reviewer portal.</li> </ul>