

SCHUYLKILL HAVEN BOROUGH

**CDBG CV Rent and Mortgage Assistance Program
CDBG CV Funded**

**Administered by:
SCHUYLKILL HAVEN BOROUGH
August 9, 2021 R**

CDBG CV Rent and Mortgage Assistance Program

Policies and Procedures

General Information

This document is designed to assist with implementing a Rent and Mortgage Assistance program through the CDBG CV program funds provided under the CARES Act. It contains required program and administrative policies and procedures and should be used as a reference for the Rent and Mortgage Assistance program activities funded through the CDBG CV program.

Program Overview

The Rent and Mortgage Assistance Program is designed to provide financial assistance to individuals and families who have experienced reduced income as a result of the COVID-19 pandemic. This guidance is to be used to help to determine eligibility for financial assistance, complete collection of required documentation, and to track data for each referred household.

The program funds may be used to provide financial assistance for rent and mortgage payments to assist renters and homeowners facing possible loss of housing. The applicant does not need to currently be in the arrears of payments to qualify.

Financial Assistance is limited to the amount of arrears (Arrears are counted as one month) and forward up to 5 months. The total assistance cannot exceed \$10,000 or 6 months. A maximum of 6 months can be provided if the home was not built prior to 1978.

If the home was built prior to 1978, the time frame will be limited to 3 months unless the landlord/tenant or homeowner provides documentation that there is no lead paint or that the lead paint has been cleared. (Documentation must meet approval of the CDBG-CV program requirements)

A copy of the county tax assessment form should be included in each file for documentation of the year the housing was built.

Eligibility Requirements (refer to checklist under Program Documents):

Applicants for rental assistance must meet the following eligibility requirements:

- Household income on the date of application must meet low-to moderate-income qualifications as established by HUD (refer to income limits)
- Total rent arrears must be in writing. (Payments cannot be paid for arrears any earlier than February 1, 2020.) Renters must provide a copy of the lease agreement or the landlord must provide a document in writing to verify the agreement if they do not currently have a lease in writing.

- The unit is located within Schuylkill Haven Borough.
- Unit must be the primary residence of the applicant
- Applicants must have an economic impact from Covid such as becoming unemployed after February 1, 2020 causing a decrease in their annual household income due to Covid 19.
- Provide documentation of income received as a result of any governmental response program due to COVID-19 (such as unemployment compensation).

Applicants for foreclosure assistance must meet the following eligibility requirements:

- The homeowner holds legal or equitable title to the property as evidenced by a copy of the deed;
- Provide current mortgage statement in the applicant’s name;
- The property is secured by a mortgage or other security interest in cases where the property is subject to monthly payments applied towards the mortgage balance;
- The Mortgage(s) are in a first or second lien position and require monthly mortgage payments;
- Mortgage payments prior to February 1, 2020 cannot be addressed with this program;
- The mortgage is not in an active forbearance plan that allows the delinquency to be added to the end of the mortgage term (partial claim);
- The homeowner must provide proof of homeowner’s insurance, and, when applicable, flood insurance;
- As of January 1, 2020, be current on all real estate, school and municipal taxes (or provide proof of a payment plan);
- Property must be the homeowner’s primary residence;
- The property is located within Schuylkill Haven Borough;
- Property cannot be used in any part as a rental;
- Household income on date of application must meet low-to moderate-income qualifications as established by HUD (refer to income limits);
- Homeowner must have had a decrease in their annual household income due to Covid 19 any time after February 1st, 2020.
- Provide documentation of income received as a result of any governmental response program due to COVID-19 (such as unemployment compensation);

Eligible Income Limits (based on 80%* AMI) effective 6/1/2021. (The program will always use current effective rates as they change.):

Number in Household	Income Limit
1	38,300
2	43,800
3	49,250
4	54,700
5	59,100
6	63,500

7	67,850
8	72,250

Income Verification

Income verification for program is required for participants receiving rent or mortgage assistance. An income assessment is required at initial evaluation and would be good for a period of 6 months.

Income verification will be entered into HUD's [CPD Income Eligibility Calculator](#). The Income Calculator can be found at: www.hudexchange.info/resource/2079/cpd-income-eligibility-calculator.

The income report that is generated by the online calculator will be printed, signed by residents, and retained in the Program project file.

Renters and Homeowners must be determined income eligible based upon a review of their annual income by all adult household members (everyone 18 years of age and older). The income determination cannot be more than 6 months old at the time the assistance is received.

Verification and certification of annual gross income will be required to determine eligibility for the Program. Information on household definitions, determining household size, program income limits and gross annual income is further explained in the Income Verification section under Program Documents.

Documentation Required:

Refer to Documentation and Eligibility Checklist in Program Documents.

Terms of Financial Assistance:

- Assistance is limited to pay rent or mortgage arrears for the period starting February 1, 2020 for a maximum of \$10,000 of assistance.
- Assistance will be provided as a monthly payment directly to the landlord or mortgage holder.
- Financial assistance can only be applied to rent or mortgage payments.
- It is NOT permissible to pay property taxes for delinquent mortgages even if the taxes are part of the escrowed PITI (principle, interested, taxes and insurance) payable to a lender.
- Financial Assistance will be provided in the form of a grant with no repayment terms.
- Financial Assistance will be sent directly to the landlord or lender.
- Homeowner Association (HOA) fees are not an eligible cost.

Schuylkill Haven Borough CDBG CV Rent and Mortgage Assistance Program

1. Application for Assistance

Instructions

This data is collected for purposes of assessing the results of the Coronavirus Relief Fund (CRF) in benefitting recipients categorized according to income, race, and ethnicity. The information contained in this form will only be available to representatives of the program and government officials responsible for monitoring the Program. This is a written statement from the beneficiary documenting the Annual (Gross) Income, the number of beneficiary members in the family or household, and the relevant characteristics of each member for the purposes of income determination. For the purposes of this regulation, income will be defined according to the Code of Federal Regulations at 24 CFR, Part 5.

Contact Information

Borrower Name:	
Co-Borrower Name:	
Property Address:	
City, State, ZIP:	
Home Phone: ()	Best time to reach you:
Cell Phone: ()	
Are you living in the home? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Do you rent or own the home? <input type="checkbox"/> Rent <input type="checkbox"/> Own	

Impacts of COVID-19:

Please check all the boxes that currently apply to you and your household:

- You were laid-off from your primary place of employment as a direct result of COVID-19.
- You had a reduction in income as a direct result of COVID-19.
- You or a member of your household has been diagnosed with COVID-19 or are experiencing symptoms of COVID-19 and seeking a medical diagnosis.
- You are providing care for a family member or a member of your household who has been diagnosed with COVID-19.
- A child or other person in your household for which you have primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of COVID-19 public health emergency and such school or facility care is required for you to work.

- You are unable to reach your place of employment (or commence employment) because of imposed quarantine or self-quarantine (at direction of health care provider) as a direct result of the COVID-19 public health emergency.
- You have become the primary income earner or major support for a household as a direct result of COVID-19.
- You had to quit your job as a direct result of COVID-19.
- Your place of employment is closed as a direct result of COVID-19.
- Your unemployment status has been extended due to the quarantine imposed by the COVID-19 pandemic.
- Your unemployment status has been extended due to the economic downturn and lack of available jobs as a direct result of the COVID-19 pandemic.
- Your work or life situation has been affected by the COVID-19 pandemic, causing an inability to obtain employment.
- Without the assistance provided by this program, I would become homeless

Other (please explain):

HOMEOWNERS ONLY: First Mortgage Information

Current Lender/Service:		Original Lender:	
Loan #:		How long have you owned the home (month/year)?	
Current Loan Amount (Balance): \$		Current Home Value: \$	
Property Condition: <input type="checkbox"/> Excellent <input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor		Is the home listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No	How Long?
Monthly Mortgage Payment Amount: \$	Interest Rate: %	Term: <input type="checkbox"/> 30yr <input type="checkbox"/> 15yr <input type="checkbox"/> Other	
Type of Loan: <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> WHEDA	Type of property: <input type="checkbox"/> Single family <input type="checkbox"/> Duplex <input type="checkbox"/> Condo		
Type of interest rate: <input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable (ARM)	If ARM, check one: <input type="checkbox"/> 5/1 <input type="checkbox"/> Option ARM <input type="checkbox"/> 3/27 <input type="checkbox"/> 2/28		
Annual Property Taxes: \$	Is this included in your payment? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Annual Homeowner's Insurance: \$	Is this included in your payment? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Force Placed?		

Second Mortgage / Liens / Judgments (if applicable)

Current Lender/Service:		Loan #:	
Current Loan Amount (Balance): \$		Type of Lien: <input type="checkbox"/> 2 nd Mortgage <input type="checkbox"/> HELOC <input type="checkbox"/> Judgment	
Monthly Payment: \$	Interest rate: %	Term: <input type="checkbox"/> 30yr <input type="checkbox"/> 15yr <input type="checkbox"/> Other	

AFFIDAVIT OF HOMEOWNERSHIP

Borrower, as the obligor / mortgagor, is fully authorized to engage the lienholders of the property address listed above.

Duplication of Benefits Affidavit

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, (42 U.S.C. 5121–5207) (Stafford Act)

Recipient agrees that if they receive further federal benefits for the same services received under this program, the recipient will report receiving benefits by emailing the Borough at secretary@schuylkillhaven.org or by calling (570-385-2841) within one (1) month of receipt of additional proceeds and/or benefits. If recipient fails to report additional federal benefits, then Schuylkill Haven Borough may require immediate repayment in full of the entire grant amount provided by the Borough.

Certification

I/We HEREBY affirm and verify that I/We have not received payment or other financial assistance that would create a duplication of benefits under this grant program.

I/we certify that this information is complete and accurate. I/we agree to provide, upon request, documentation on all income sources to the Borough. I acknowledge that I understand that making the certification is under penalty of perjury and intentional misrepresentation in self-certifying that I may call in one or more of these categories is fraud.

Head of Household		
Signature	Printed Name	Date
Other Beneficiary Adults		
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date

CDBG CV Rent and Mortgage Assistance Program

2. Documentation and Eligibility Checklist

(check all that apply)

- Application for Assistance completed and signed by the Renter/Homeowner(s).
- Photo ID
- Documentation for current income provided

OWNERS:

- Act 91 Notice, Act 6 Notice, Reinstatement quote or monthly statement from lender showing the status of the mortgage
- The homeowner holds legal or equitable title to the property as evidenced by a copy of the deed;
- Provide current mortgage statement in the applicant's name;
- The property is secured by a mortgage or other security interest in cases where the property is subject to monthly payments applied towards the mortgage balance;
- The Mortgage(s) are in a first or second lien position and that require monthly mortgage payments;
- The mortgage is not in an active forbearance plan that allows the delinquency to be added to the end of the mortgage term (partial claim);
- Provide proof of homeowner's insurance, and, when applicable, flood insurance;
- As of January 1, 2020, be current on all real estate, school and municipal taxes (or provide proof of a payment plan);
- Property must be the homeowner's primary residence;
- Property cannot be used in any part as a rental;

RENTERS:

- Eviction notice or late payment notice from landlord
- Copy of Lease if in writing

ALL:

- The property is located within Schuylkill Haven Borough;
- Provide documentation of any payments received a result of any governmental response program due to COVID-19 (such as unemployment compensation).
- Renters or Homeowner must have had a decrease in their annual household income due to a result of the COVID-19 pandemic after February 1, 2020.
 - Note: Proof of reduction of income (compared to annual 2019 income) must be kept in each household file.

CDBG CV Rent and Mortgage Assistance Program

3. Income Verification

For the purpose of determining program eligibility, household income shall be calculated according to the HUD regulations identified in the Code of Federal Regulations at 24 CFR, Part 5. Income of all household residents aged 18 or over, who are not enrolled as full-time students will be included in the total annual household income determination.

The applicant and all other household members must execute a release of information form authorizing any depository or private source of income to furnish or release such information as determined to be necessary to the Program, Schuylkill Haven Borough, and HUD.

Household Definitions

- a. **Low-Moderate Income (LMI) Limits:** The annual income definition found at 24 CFR Part 5 is the definition that will be used as the qualifying standard for the Borough's CDBG-CV Rent and Mortgage Assistance Program. Both the gross annual income and family size are used to determine program eligibility. To qualify for assistance, the household must be at or below 80% of the Median Family Income (MFI). The specific dollar amount associated with this limit is adjusted annually by HUD and applies to projects commenced during the program year.
- b. **Gross annual income:** The total amount of income earned in one year from all sources by all adults (18 years old or over) living in the household.
- c. **Household size:** all adults and children living in a household regardless of their relationship.
- d. **Head of Household:** The adult member of the family who is the head of the household for purposes of determining income eligibility, according to 24 CFR 5.504.
- e. **Co- Head of Household:** An adult member of the family who is treated the same as a head of the household for purposes of determining income eligibility.
- f. **Disabilities:** Also known as "Disabled Family or Disabled Household." Disabled Household means a household composed of:
 - i. One or more persons with at least one of whom is an adult (18 years or older) who has a disability;
 - ii. Two or more persons with disabilities living together, or one or more such persons living with another person who is determined to be important to their care or well-being;
 - iii. The surviving member or members of any household who were living in a unit assisted under this part with the deceased member of the household at the time of his or her death, as per 24 CFR 891.305.

1. Determining Household Size

The income limits are adjusted by household size, therefore, one of the first steps in determining eligibility is to determine the size of the applicant household. Some households may include persons who are not considered as family members for the purposes of determining household size and income eligibility.

Do Include:

- a. Unborn children of pregnant women;
- b. Children in joint custody arrangements who are present in the household 50% or more of the time;
- c. Temporarily absent family members who are still considered household members, for example family members on military duty or receiving medical treatment;
- d. Adult students living away from home. If the adult student is counted as a member of the household for income limits, the first \$480 of the student's income must be counted in the family's income. Note, a student who is the head of household or spouse then their full income must be counted, the \$480 limit is not applicable.
- e. For persons permanently confined to a hospital or nursing home, the family decides if such persons are included or not when determining family size for income limits. If such persons are included, they must not be listed as the head, co-head, or spouse on the deed, but may be listed as other adult family member. If the family chooses to include the permanently confined person as a member of the household, then the income received by these persons must be incorporated into the total family income.
- f. Children who are in the process of being adopted. Adoption assistance payments in excess of \$480 per adopted child will be incorporated into the household income.

The following should **not** be counted as household members when determining household size, and their income is not included when calculating annual income.

Do not include:

- a. Foster children
- b. Foster adults
- c. Live-in aides
- d. Children of live-in aides

2. Calculating Gross Annual Income (Annual Income)

Certification of Annual Income by Beneficiary requires the following information about each beneficiary of a project: annual gross household income, race, ethnicity, disability, and head of household.

Homeowners must be determined income eligible based upon a review of their annual income by all adult household members (everyone 18 years of age and older). The income determination cannot be more than 6 months old at the time the assistance is received.

Income includes all wages and salaries, interest and dividends, alimony, and child support, for all persons living in the house. It excludes stimulus payments, food stamps, medical reimbursement, and foster childcare assistance.

All Program applicants are required to document:

- a. Income of ALL adults (persons 18 and over), even if there is no income to report;
- b. If there are more than one adult(s) in a household, income for each adult household member;
- c. If an adult has more than one income source or job, each source of income should be documented.
- d. Complete financial statements spanning the past 2 months for: checking, savings, investment, and retirement accounts
- e. Copies of signed 1040 tax returns for the last two tax years including all schedules as appropriate if self-employed
- f. Copies of signed 1040 tax returns for the most current tax filing year. If no 1040 tax return is available documentation must be provided to show income for the year.
 - o Not everyone is required to file an income tax return each year. Generally, if the total income for the year doesn't exceed certain thresholds, then there is no need to file a federal tax return. The amount of income earned before being required to file a tax return also depends on the type of income, age and filing status. In 2018 for example, a person under age 65 and single must file a tax return if they earned \$12,400 or more, which is the 2020 standard deduction for a single taxpayer.
 - o If income is \$950 or more and at least \$300 of that is from un-work-related income (ie: interest or dividend income), then the family cannot claim exempt from taxes.
 - o If dependents are claimed on tax return, then cannot claim exempt from taxes.
- g. Proof of reduction of income (compared to annual 2019 income) since February 1st, 2020 must be kept in each household file to document eligibility for the CARE Foreclosure Program. (2019 and 2020 1040's are to be documented)

To determine if applicants are income eligible, the Program shall review and verify income using the following (but not limited to):

- a. Pay stubs
- b. SSI/SSDI benefit letters
- c. Pension statements
- d. Wage statements
- e. Interest statements
- f. Unemployment compensation statements
- g. Tax returns, W-2 forms
- h. Profit and loss statement from business

i. Child Support received

Salaried income or Unemployment income - for all Household Members 18+ years old will be verified by the below:

- a. Paystubs for most recent 8-week period for every household member working for an employer;
- b. Pay stubs for most recent 8-week period weeks of Unemployment Benefits;
- c. Full-time students or unemployed household member will supply qualified documentation affirming this status (i.e., unemployment benefit verification, student enrollment forms)

Self-employment income - for all Household Members 18+ years old will be verified by the below:

- a. Copies of most recent IRS Tax Return (Form 1040);
- b. If the self-employed earner does not file taxes, a notarized statement reflecting earnings and expenses for last two years should include: dates, addresses of jobs, amounts paid and related expenses - to determine net profit; and (upon request);
- c. Copy of IRS (non-filing) status for last two years (<https://www.irs.gov/help/ita/do-i-need-to-file-a-tax-return>).

Other relevant income and documentation for review: verification of Public Assistance benefits for Household Members 18+ years old, SSI/SSD and documentation verifying receipt of pension/investment income.