

A Financial Assistance Program that Homeowners “HAF” to Know About

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Washington homeowners facing financial hardships as a result of the COVID-19 pandemic may be leaving tens of thousands of dollars in assistance funds on the table. The Homeowner Assistance Fund (“HAF”) is a federal program that helps homeowners affected by COVID-19. Each state has developed a plan and guidelines for distributing these federal funds and the programs and requirements differ from state to state.

The first part of this article will discuss how the HAF works in general. The second part will discuss how the Washington State HAF program works. The third part will discuss who is eligible to receive financial assistance under the Washington State HAF program. Finally, the fourth part of this article will provide information on how Washington homeowners can apply to receive assistance.

I. WHAT IS THE HOMEOWNER ASSISTANCE FUND?

In March 2021, Congress enacted the [American Rescue Plan Act](#) (ARPA)—which includes the Homeowner Assistance Fund (“HAF”)—to provide financial assistance to homeowners who are behind on their housing related payments due to the COVID-19 pandemic.¹ Under the ARPA, the U.S. Department of Treasury is distributing approximately \$10 billion in HAF funds to eligible states, territories, and tribes to assist homeowners impacted by COVID-19 catch up on mortgage delinquencies and other housing costs related to a primary residence.² To receive federal funds, states, territories, and tribes were required to submit a plan of their distribution program to the U.S. Department of Treasury for approval. Under the ARPA, HAF funds may only be allocated to qualified expenses³ which include:

¹ See 15 U.S.C. § 9058d.

² See *id.*

³ Although the HAF funds may only be used for eligible expenses, HAF participants (states, territories, or tribes) are not required to make funding available for all qualified expenses listed in the ARPA.

- Mortgage payment assistance, and other financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency or default;⁴
- Principal reduction;⁵
- Interest rate reductions;⁶ and
- Payment assistance for utilities—including electric, gas, home energy, water, and internet—homeowner’s insurance, flood insurance, delinquent property taxes, and homeowner's and condominium association dues.⁷

In general, homeowners currently under bankruptcy protections are not disqualified from receiving assistance on the grounds of having an active bankruptcy case but bankruptcy court approval may be required depending on the structure of the program and the jurisdiction where the property is located.⁸ Mortgage-servicers are not required to participate in the HAF, but the Consumer Financial Protection Bureau has strongly encouraged servicers to voluntarily participate.⁹

II. HOW DOES THE HAF PROGRAM WORK IN WASHINGTON?

Of the approximately \$10 billion distributed under the HAF, Washington State will receive \$173 million. These funds are overseen by the Washington State Housing Finance Commission and are available through June 30, 2024, or until funds run out. Under the

⁴ 15 U.S.C. § 9058d(c)(1)(A)–(B).

⁵ 15 U.S.C. § 9058d(c)(1)(C).

⁶ 15 U.S.C. § 9058d(c)(1)(D).

⁷ 15 U.S.C. § 9058d(c)(1)(E).

⁸ See Heather Giannino, *Have You Heard of HAF?*, XLI ABI Journal 8, 16-17, 45 (August 2022).

⁹ Lorelei Salas, *Using the Homeowner Assistance Fund program to help borrowers prevent foreclosure*, CFPB: BLOG (Mar. 14, 2022), <https://www.consumerfinance.gov/about-us/blog/using-homeowner-assistance-fund-program-help-borrowers-prevent-foreclosure>.

program, eligible homeowners can receive a grant of up to \$60,000 per household.¹⁰ Funds from Washington’s HAF program can be used to assist a homeowner with the following:

- To allow a homeowner to reinstate a mortgage or pay other housing-related costs related to a period of forbearance, delinquency, or default.
- For mortgage principal reduction, including the principal for a second mortgage that a nonprofit or government entity provided.
- To facilitate a mortgage interest rate reduction.
- To preserve a homeowner’s use of a “partial claim.”¹¹

If a homeowner qualifies for at least one of the financial assistances listed above, the program can also provide the following financial assistance:

- For homeowner’s insurance, flood insurance, and mortgage insurance.
- For homeowner’s association fees or liens, condominium association fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development.
- For down payment assistance loans provided by non-profit or government entities.
- For payment of delinquent property taxes to cure default.

Under the Washington HAF program, grant payments will go directly to the loan servicer or other approved entity—not to homeowners. Payments can only be made for amounts in arrears: no “future” payments can be rendered.

III. WHO IS ELIGIBLE?

To qualify for the Washington HAF program, an applicant must meet the following requirements:¹²

¹⁰ See WASH. HOUS. FIN. COMM’N, AMERICAN RESCUE PLAN ACT WASHINGTON STATE HOMEOWNER ASSISTANCE FUND PLAN (Mar. 2022).

¹¹ A "partial claim" is an interest-free loan from HUD to get caught up on overdue payments.

¹² See WASH. HOUS. FIN. COMM’N, *supra* note 10, at 3.

- The applicant must be the owner of a dwelling, located within the State of Washington (up to four units) that is the primary residence (owner-occupied) of the applicant (this can include a manufactured/mobile home on rented space). Homeowners who are already post-foreclosure are not eligible.
- The applicant must have a household income of 100%—or less—of the Area Median Income (AMI) for the county of residence.¹³
- The applicant must have suffered a demonstratable financial hardship caused by COVID-19 that began after January 20, 2020.¹⁴
- The applicant must have a reasonable expectation that he or she will be able to make mortgage payments in the future.
- If payments are not sufficient to cure all arrearages, then there must be reasonable expectation the homeowner can bring all other arrearages current.

IV. APPLYING FOR FINANCIAL ASSISTANCE

Any Washington homeowner can apply for the Washington State HAF by calling the Washington Homeownership Hotline at 1-877-894-4663. The Hotline is open from Monday through Friday, 8:00 a.m. – 5:00 p.m. PST and help is available in over 220 languages. The Hotline provides housing counselors to assist homeowners with the application and to ensure that the homeowner is properly evaluated for all potential assistance programs, including accessing the maximum HAF program benefits.

Homeowners that feel comfortable applying on their own and are seeking less than \$15,000 in total assistance, can apply via the online portal.¹⁵ However, the program

¹³ See *Exhibit A* for an author-prepared summary of the applicable income limitations for counties within the Western District of Washington. For the official income limitations see [DEP'T HOUS. URB. DEV., FY 2022 HOMEOWNER ASSISTANCE FUND INCOME LIMITS](#).

¹⁴ A qualifying hardship must be demonstratable and attributed to the COVID-19 pandemic and/or State of Emergency declared by the State of Washington or United States Government; or economic hardship resulting from a COVID-19-related illness or medical issue for the applicant or a household member.

¹⁵ The Washington HAF portal can be found at <http://www.washingtonhaf.org/>

strongly encourages homeowners to contact the Hotline to obtain the aid of a housing counselor.

The program, including the application, is completely free. **If anyone asks you to pay a fee to get housing counseling or to receive foreclosure prevention services from this program, it's a scam.**

Exhibit A

Below is an unofficial, summary of the applicable income limitations for counties within the Western District of Washington (as of November 23, 2022). The official, and most up to date, limitations can be found at the following website:

https://www.huduser.gov/portal/datasets/il/il2022/select_Geography_haf.odn

County	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
Clallam	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Clark	\$74,550	\$85,200	\$95,850	\$106,500	\$115,050	\$123,550	\$132,100	\$140,600
Cowlitz	\$55,750	\$63,700	\$71,650	\$79,600	\$86,000	\$92,350	\$98,750	\$105,100
Grays Harbor	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Island	\$62,450	\$71,400	\$80,300	\$89,200	\$96,350	\$103,500	\$110,650	\$117,750
Jefferson	\$55,750	\$63,700	\$71,650	\$79,600	\$86,000	\$92,350	\$98,750	\$105,100
King	\$90,600	\$103,550	\$116,500	\$129,400	\$139,800	\$150,150	\$160,500	\$170,850
Kitsap	\$72,050	\$82,350	\$92,650	\$102,900	\$111,150	\$119,400	\$127,600	\$135,850
Lewis	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Mason	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Pacific	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Pierce	\$71,050	\$81,200	\$91,350	\$101,500	\$109,650	\$117,750	\$125,900	\$134,000
San Juan	\$61,050	\$69,800	\$78,500	\$87,200	\$94,200	\$101,200	\$108,150	\$115,150
Skagit	\$60,300	\$68,900	\$77,500	\$86,100	\$93,000	\$99,900	\$106,800	\$113,700
Skamania	\$74,550	\$85,200	\$95,850	\$106,500	\$115,050	\$123,550	\$132,100	\$140,600
Snohomish	\$90,600	\$103,550	\$116,500	\$129,400	\$139,800	\$150,150	\$160,500	\$170,850
Thurston	\$70,650	\$80,750	\$90,850	\$100,900	\$109,000	\$117,050	\$125,150	\$133,200
Wahkiakum	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
Whatcom	\$63,500	\$72,600	\$81,650	\$90,700	\$98,000	\$105,250	\$112,500	\$119,750