



Frequently Asked Questions

1) **What is Florida HFA Hardest-Hit Fund (HHF)?**

Florida Housing Finance Corporation (Florida Housing) was directed by US Treasury (Treasury) to create and administer foreclosure prevention assistance programs that address the unique issues of our state.

2) **What is the Florida HHF Principal Reduction Program?**

The Florida Hardest-Hit Fund Principal Reduction (HHF-PR) program is designed to assist eligible homeowners by providing up to \$50,000 to reduce the principal balance of the first mortgage, thereby reducing the loan-to-value (LTV) of the first mortgage to no less than 100%.

3) **What are the eligibility requirements?**

Homeowners must meet ***all criteria*** within each category to qualify. However, eligible and approved homeowners for the Florida HHF-PR Program can still be denied for HHF-PR by their mortgage company.

Additionally, participation in the Florida HHF-PR Program is on a first come, first served basis; only homeowners with complete application packages will be forwarded to their lender for final approval (a complete application package must have the all of the homeowner's mandatory and requested documents submitted and reviewed). Homeowners who meet all eligibility criteria, but have not submitted required and requested documentation will not have their application sent to the lender, nor will a "place in line" be saved for him/her/them.

Homeowner Requirements

- Must be a legal US resident/legal alien;
- Must be a Florida resident;
- Must occupy property as primary residence (proof of Homestead required);

- Total household income must be below 140% AMI (at time of application) adjusted for household size;
 - If there has been a bankruptcy, it must be discharged or dismissed; and
 - Cannot have a conviction within the last 10 years on a mortgage-related felony (self-certified).
 - *Homeowners will be required to sign an affidavit stating s/he has not been convicted of a mortgage-related felony in the last 10 years; this includes larceny, theft, fraud, forgery, money laundering and/or tax evasion.*
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Property Requirements

- Homeowner's primary residence must be located in Florida and can be any one of the following structures:
 - A single-family home, condominium, or townhome;
 - A manufactured or mobile home on a foundation permanently affixed to real estate owned by the homeowners; or
 - A one-, two-, three- or four-family dwelling unit of which one unit is occupied by the homeowner as the primary residence.
 - The property must have been purchased prior to January 1, 2010; and
 - The property cannot be abandoned, vacant or condemned.
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Mortgage Requirements

- First mortgage is with a regulated financial institution, Habitat, or USDA;
- The outstanding principal balance of the first mortgage is \$350,000 or less at the time of application;
- The current loan-to-value on the first mortgage must be greater than 125%; and
- Homeowner cannot have a current pending litigation on the property or mortgage.

Other Evaluation Criteria

- The loan must be eligible for recast; if the mortgage is a FHA, VA or USDA-RD mortgage, the borrower will need to refinance to receive the *pro rata* forgiveness provisions; and
- Borrower must be current on payments for the first mortgage for the past 24 months.

4) How do I apply?

To apply for the HHF-PR program, you will need to use our web-based system from a computer with Internet access. The website address is www.PrincipalReductionFLHHF.org; this site contains all the information you will need to begin your application for assistance, with step-by-step instructions and prompts to help you.

If you do not have access to the Internet from your residence, public computers can be found throughout many communities at public libraries, schools or educational centers, or government-run facilities in your county.

Since you are completing information about your financial situation, it will be necessary for you to have the following:

- Information about your first mortgage, such as your monthly mortgage statement;
- Your most recent income tax return (for self-employed borrowers);
- Information about your checking and/or savings accounts; and
- Information about the monthly gross (before tax) income of your household, including recent pay stubs, or documentation of income you receive from other sources.

5) How much assistance is available for me?

A qualified homeowner may receive up to \$50,000 to reduce the principal balance of the first mortgage, thereby reducing the loan-to-value (LTV) to not less than 100%. Approved funds will be paid directly to the first mortgage servicer to be applied to the principal balance of your loan.

6) **What are the terms of the assistance?**

HHF-PR program funds will be in the form of a 0%-interest, forgivable loan that will be subordinate to current mortgages on the home. The loan is forgiven at a rate of 20% per year over a five-year period. If the borrower has a FHA, VA or USDA-RD mortgage, the borrower will need to refinance the mortgage within 120 days after closing on principal reduction funds in order to receive the *pro rata* forgiveness. If a refinance is not done within the specified time, the principal reduction loan will be 100 % forgiven after a full five years; therefore, no *pro rata* forgiveness will apply.

The HHF-PR loan must be paid back if your home is sold prior to the end of the loan period and there are sufficient proceeds from the sale to pay all superior secured loans. Florida Housing will agree to make the HHF-PR loan subordinate for homeowners who refinance their first mortgage to receive more favorable loan terms. However, if a homeowner refinances the first mortgage loan to consolidate debt or receive cash out, the homeowner will be required to repay the HHF-PR loan according to the loan terms.

7) **Will a homeowner who receives HHF financial assistance through the HHF-PR program have to pay the money back?**

See answer for Question 7.

8) **What follow-up is required for the HHF-PR program?**

Your assigned HHF-PR Advisor is your ONLY point of contact. You will need to contact them for follow-up and updates on your application. Do not call Florida Housing.

9) **Can a homeowner be a part of another program (HAMP, HARP, HHF—UMAP/MLRP, other loan modifications and/or trial modifications) and still apply to receive HHF-PR assistance?**

Mortgage servicers have differing rules regarding the use of HHF-PR program funds for various modification and/or refinance programs. The servicer will have the final decision on whether or not HHF-PR program funds will be accepted for your current loan.

In addition, homeowners who are currently receiving HHF UMAP funding are not able to participate in the HHF-PR program. However, homeowners who

received HHF UMAP/MLRP funds in the past may be eligible for HHF-PR program funds if the following apply:

1. Must have paid their first mortgage for a period of 24 months from the date of the last UMAP/MLRP payment; and
2. Must be current on the first mortgage (cannot be 60 or more days late within the past 24 months).

Prior HHF Program participants who qualify for the HHF-PR program may receive up to a total of \$50,000 for all HHF programs in which they participated.

10) **Can a homeowner be part of Florida's HHF program and still apply to receive HHF-PR assistance?**

See answer for Question 10.

11) **I applied for UMAP and/or MLRP before and was denied; can I apply for HHF Principal Reduction?**

If you previously applied for the HHF UMAP and/or MLRP programs, and was denied, you should visit the HHF Principal Reduction application website at www.PrincipalReductionFLHHF.org to review the eligibility criteria for the program. If after reviewing the criteria, you believe you may qualify, go ahead and click the "Start Now" button on the homepage and begin the HHF-PR application.

12) **A homeowner has questions about the application s/he has already completed or has questions while completing the application.**

If during the application process you are unsure as to how to complete the application, or you have any questions at all, please click the "Assign Me Now" button, which is located throughout the application. When you click this button, you will be immediately assigned to an HHF-PR Advisor Agency that can assist you through the application process.

If you have already been assigned an Advisor Agency, contact your assigned HHF-PR Advisor regarding your questions about the application.

13) **What happens once I complete the application?**

Once you complete the required information on the website, you will be contacted via email or phone by an assigned HHF-PR Advisor (a HUD-approved

agency) to set up an appointment to review your information. If you did not send the required documents electronically via email, fax or mail, you should be prepared to bring them with you to your appointment. Florida Housing will **NOT** contact you during the application process; Florida Housing only communicates with your Advisor. Your assigned HHF-PR Advisor is your point of contact and all of your questions should be directed to him/her.

14) **Where can I find additional information about the Florida's HHF-PR program?**

More information on the HHF-PR program can be found on the website at www.PrincipalReductionFLHHF.org.

For questions, please call the Florida Hardest-Hit Fund Information Line toll-free at 1-(877) 863-5244.