

**SERVICE SCHEDULE B-1**

**Indiana  
Hardest Hit Fund Unemployment Bridge Program**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>Under Indiana’s Hardest Hit Fund Unemployment Bridge Program (“UBP”) the Indiana Housing and Community Development Authority (“IHCDA”) offers qualifying individuals who are or were recently unemployed, through no fault or neglect of their own, the following assistance (up to the Maximum Household Assistance, defined below) with respect to their primary mortgage payments:</p> <ol style="list-style-type: none"><li>1. For unemployed homeowners:<ol style="list-style-type: none"><li>a. Funding at the outset of assistance to bring a delinquent mortgage current (“Reinstatement Assistance”); and</li><li>b. Limited monthly assistance to cover their first mortgage payment and related expenses while seeking new employment.</li></ol></li><li>2. For homeowners who have accumulated a delinquency during a recent period of unemployment and have become re-employed, but cannot bring their mortgages current with their current income (“Re-employed Borrowers”), IHCDA will provide Reinstatement Assistance. Re-employed Borrowers will qualify for this assistance if they: (a) qualify in all other respects for assistance; (b) have demonstrated that they can afford mortgage payments with their post-unemployment income; and (c) do not have the means for, or otherwise qualify for, another program providing mortgage reinstatement.</li><li>3. For certain borrowers whose servicer elects to participate, IHCDA shall provide Reinstatement Assistance in conjunction with a mortgage loan modification by the servicer. Upon acceptance by the servicer, borrowers whose delinquency is above the amount of the Maximum Household Assistance may still qualify for such loan modification.</li></ol> <p>All assistance is subject to approval of the homeowner’s HHF Action Plan, which is a plan relating solely to TARP-funded modification programs that will be developed by a housing counseling agency and approved by IHCDA.</p>
<b>2. Program Goals</b>	<p>The goal of the UBP is to cover a portion of PITI for eligible unemployed homeowners, allowing them to:</p> <ol style="list-style-type: none"><li>1) Secure re-employment in their occupation; or</li><li>2) Access training made available through the Indiana Department of Workforce Development (“DWD”) that will help them secure employment in a new occupation.</li></ol>
<b>3. Target</b>	IHCDA’s target population is low- to moderate-income homeowners in

<b>Population / Areas</b>	any county in Indiana.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$191,380,379.00
<b>5. Borrower Eligibility Criteria</b>	<ol style="list-style-type: none"> <li>1) Owning only one home;</li> <li>2) Submission of hardship affidavit documenting inability to pay mortgage;</li> <li>3) Priority of service will be extended to veterans and military personnel (active or reserve);</li> <li>4) With respect to currently unemployed borrowers: <ol style="list-style-type: none"> <li>a) Unemployed and eligible for unemployment insurance;</li> <li>b) Engaged in approved training, education or structured volunteer work (as defined by IHCDA);</li> <li>c) Current household income below 140% of AMI, adjusted for borrower household size;</li> <li>d) Monthly first mortgage PITI payment must be greater than 25% of the borrower's gross monthly household income, excluding unemployment insurance benefits ("Minimum Affordability Threshold").</li> <li>e) Receiving unemployment insurance benefits from DWD at the time of application;</li> <li>f) At IHCDA's sole discretion, borrowers may be removed from the program for failing to make their required payments;</li> </ol> </li> <li>5) With respect to Re-employed Borrowers: <ol style="list-style-type: none"> <li>a) Annual gross household income equal to or less than \$150,000.</li> </ol> </li> </ol>
<b>6. Property / Loan Eligibility Criteria</b>	<ol style="list-style-type: none"> <li>1) Owner-occupied primary residence located in Indiana.</li> <li>2) The unpaid principal balance of the borrower's first-lien mortgage cannot exceed the conforming loan limit established by the Federal Housing Finance Agency, as modified from time to time.</li> </ol>
<b>7. Program Exclusions</b>	<ol style="list-style-type: none"> <li>1) Property is vacant, abandoned or condemned.</li> <li>2) Borrower has not exhausted or been ruled ineligible for other programs (federal or direct lender).</li> <li>3) Borrower has liquid assets sufficient to make 6 months' worth of payments, excluding retirement accounts.</li> <li>4) Borrower is ineligible for unemployment benefits (for example, due to exhaustion of benefits, nature of job loss or no W-2 reportable wages).</li> </ol>
<b>8. Structure of Assistance</b>	All assistance is structured as a forgivable, non-recourse, non-amortizing loan, secured by a junior lien on the property. The loan has a term of ten (10) years and is forgiven at a rate of 20% per year in years six (6) through ten (10) of the loan term. If the borrower sells the property before the forgiveness period expires, all net sale proceeds up to the full principal balance outstanding will be due and payable to IHCDA. All funds

	returned to the UBP may be recycled until December 31, 2017; thereafter, they will be returned to Treasury.
<b>9. Per Household Assistance</b>	Total assistance per household (“Maximum Household Assistance”) is not to exceed \$18,000.
<b>10. Duration of Assistance</b>	Up to the borrowers’ Maximum Household Assistance, eighteen (18) months, or three (3) months after re-employment, whichever comes first. In the case of Re-employed Borrowers, assistance ends once the borrower is made current.
<b>11. Estimated Number of Participating Households</b>	An estimated 10,632 households will receive assistance, inclusive of payments to clear delinquencies and assistance after re-employment.
<b>12. Program Inception / Duration</b>	IHCDA launched the program on May 5, 2011. IHCDA anticipates that the program will last for approximately two (2) years after the date of launch.
<b>13. Program Interaction with Other Programs (e.g. other HFA programs)</b>	IHCDA manages the Homeless Prevention and Rapid Re-Housing Program (HPRP) funding for the balance of state Continuum of Care. IHCDA assessment tool for HPRP will incorporate screening for HHF eligibility for homeowners at risk of homelessness through foreclosure. HPRP administrators will be trained on eligibility requirements and screening for HHF. IHCDA also manages the Indiana Foreclosure Prevention Network (IFPN), which is a coalition of community service and housing-related organizations, government agencies, lenders, realtors, and trade associations that are actively addressing Indiana’s foreclosure crisis through a variety of methods. IHCDA anticipates contracting with some of the organizations which are providing IFPN counseling services to provide eligibility screening, intake and preliminary underwriting for HHF. Finally, IHCDA will work with DWD to coordinate efforts; for example, the availability of HHF for qualified unemployed persons may be noted in Unemployment Insurance benefit determination letters from DWD.
<b>14. Program Interactions with HAMP</b>	Borrowers will be pre-screened for HAMP, HAFA and HAMP-UP and programs offered by lenders. HHF funds can be utilized before or after assistance from HAMP-UP.
<b>15. Program Leverage</b>	No leveraging from banks and servicers is required. IHCDA enters into participation agreements with servicers interested in participating in the UBP that sets forth IHCDA’s expectations for servicers, including acceptance of payment from IHCDA and application of payment to PITI only.
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No