

**COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY (CDBG-DR) PROGRAM
SUBSTANTIAL AMENDMENT #4
NYS CDBG-DR 2013 ACTION PLAN
PUBLIC COMMENT PERIOD ANNOUNCEMENT**

In 2011 and 2012, New York State was hit hard by several natural disasters including Hurricanes Sandy and Irene, and Tropical Storm Lee, which caused significant damage to homes, businesses, and infrastructure and placed a significant financial burden on local and state governments, residents, and businesses. In the FY 2012-13 Federal Budget, the U.S. Congress appropriated \$16 billion to the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant Disaster Recovery (CDBG-DR) Program. In February 2013, it was announced that New York State would receive \$1.713 billion of an initial \$5.4 billion allocation to assist disaster recovery efforts in areas of the state that had received Presidential Disaster Declarations related to Hurricanes Sandy, Hurricane Irene and Tropical Storm Lee. The funds awarded to the State will be administered by the New York State Office of Community Renewal (OCR), in coordination with the NYS Governor's Office, New York Empire State Development Corporation (ESDC), the NYS Division of Homeland Security and Emergency Services (DHSES), and units of general local government, among others, to address unmet housing, economic development, infrastructure and planning needs related to the disasters.

New York State submitted its Action Plan to HUD on April 3, 2013, and it was accepted on April 26, 2013. At this time, New York State is submitting a substantial amendment to the accepted Action Plan to allocate up to \$80,000,000.

This 7-day public comment period will begin on September 19, 2013 and extend through close of business on September 25, 2013. Beginning on September 19, 2013 the Substantial Amendment to the New York State CDBG-DR Action Plan may be viewed on and downloaded from the New York State Homes and Community Renewal (HCR) website at <http://www.nyshcr.org/Publications/>. In addition, copies can be requested by e-mail (HCRConPln@nyshcr.org) or by calling 1-866-ASK-DHCR (275-3427).

Comments should be written and mailed to:

New York State Homes and Community Renewal
Attention: Alison Russell
The Hampton Plaza, 2nd Floor
38-40 State Street
Albany, New York 12207-2804

Comments may also be e-mailed to DRActionPlan@nyshcr.org.

Comments must be received by close of business on September 25, 2013.

INTERIM MORTGAGE ASSISTANCE PROGRAM (IMA)

Because of damage from Hurricane Sandy, Hurricane Irene and Tropical Storm Lee many household have been, currently are and will be unable to inhabit their primary residences. Many of these displaced families are struggling to pay the mortgage on the still damaged home while trying to pay for unforeseen interim housing costs. This has been and continues to be a financial burden that homeowners try to bear.

Based upon analysis of applicants in our current application system, it is anticipated that approximately 4,000 households have or will be both displaced and faced with paying the costs of both their primary mortgage and their temporary living residences. These homeowners have

been living with an increased burden of the costs of daily life and their own recovery efforts. Many of these homeowners have already expended all of their FEMA resources, exhausted available mortgage forbearance and utilized whatever rental assistance was provided by their insurance companies. New York State wants to prevent families from going into default on their mortgage payments and help them navigate away from possibility of foreclosure. New York State has developed this program to cover the short term mortgage costs so that the homeowner does not lose their home as a result of the storms.

Section VI.A.30 of “Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy,” published March 5, 2013 [Docket No. FR-5696-N-01] modifies 42 U.S.C. 5305 (a)(8) to extend mortgage assistance to qualified individuals for up to 20 months. In accordance with this provision, New York State will permit Homeowners to receive up to 20 monthly IMA payments, with a benefit cap of \$60,000.

Eligibility

This program will serve both Low Moderate Income households and Urgent Needs households.

Additional eligibility requirements for IMA include the following:

- Homeowner has applied for and is an eligible participant in the Recreate NY Smart Home Program.
- Homeowner has an outstanding mortgage loan on a primary residence.
- Homeowner’s primary residence is or was uninhabitable and therefore the homeowner is experiencing or has experienced increased monthly housing expenses (e.g., rent).
- Homeowner is not eligible for IMA coverage for a given month if they received other temporary housing assistance for that same month from another source, (e.g., FEMA rental assistance, including Temporary Shelter Assistance, DHAP, or Insurance).
- IMA applies to victims of all 3 storms (Sandy, Irene and Lee) if they meet all eligibility criteria (including eligibility for the housing program overall).
- Reimbursement can be provided going back to the date of the storm, for a maximum of 6 months prior to the homeowner’s application date to the IMA program.
- IMA will cover monthly mortgage payments, including for homeowners who must leave their homes during the construction process, if they were displaced for a minimum of 1 month.

Method of Distribution

Payments will be paid as direct reimbursement for payments made to their lender. All mortgage payments will be by reimbursement only. Homeowners will be reimbursed once they provide a statement showing the mortgage payment, e.g., a bank statement that confirms the withdrawal or a statement from their mortgage company confirming payment was received. IMA payments will cover those portions of the monthly mortgage payment amount, not to exceed \$3,000 including principal, interest, taxes and insurance which are paid directly to the lender.

Payments will cover ongoing obligations on first mortgages, including seller-financed mortgages, in place at the qualifying event. Assistance with mortgage payments on second and third mortgages, in place at the qualifying event, will be considered on a case by case by basis where the owner can demonstrate that mortgage proceeds were used for home improvements.

Assistance will cover past, current and future debt service obligations.

Eligible Activity Type

Housing, Recreate Smart Home Repair Program

Monitoring and Compliance

Program Management and Programmatic staff will follow internal policies and procedures for the IMA Program which will include but are not limiting to insuring that payments are made on time, eligibility is determined and is deemed reasonable and that all payments are verified and vetted through the anti-fraud policies that are practiced by the state of New York.