

**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; it was approved on April 26, 2013. At this time, New York State is submitting a substantial amendment to the approved Action Plan to allocate up to \$80,000,000.

This 7-day public comment period will begin on October 16, 2013 and extend through close of business on October 23, 2013. Beginning on October 16, 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 (DRActionPlan@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 October 23, 2013.

INTERIM MORTGAGE ASSISTANCE PROGRAM (IMA)

Because of damage from Hurricane Sandy, Hurricane Irene and Tropical Storm Lee many households 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 paying for interim housing costs. This has been and continues to be a financial burden that homeowners bear.

Based upon analysis of applicants in our current application system, it is anticipated that approximately 4,000 households have been or will be both displaced and forced to pay 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 while they continue to rebuild. New York State has developed this program to help 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 up to \$60,000 based on their individual circumstances. The award will pay for the mortgage based on a formula that calculates the lesser of the monthly mortgage payment and the additional housing payment.

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 their primary residence which was damaged by one either Hurricane Sandy, Hurricane Irene and Tropical Storm Lee
- Applicants with post-storm arrears are still eligible for IMA; however, applicants with any pre-storm arrears are not eligible. If an applicant's mortgage statement shows more than 3 months of arrears, then he/she needs to demonstrate that those arrears are post-storm (e.g., through documentation from the mortgage company). If they are pre-storm, or the Homeowner cannot demonstrate this, he/she is ineligible for IMA.
- Homeowner's primary residence is or was uninhabitable as a result of one of the named storms 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, or Insurance).
- A homeowner who has recently started DHAP is eligible for up to 6 months retroactive mortgage payments provided they meet all the other eligibility requirements. It is permissible that a homeowner receiving DHAP can also receive forward looking Interim Mortgage Assistance; however, current mortgage payments directly impact DHAP awards and is a distinct line item entered for each client both pre-disaster and current. The Program will work with homeowners in this situation.
- 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. If there are more than 6 months retroactive payments requested then the State will calculate the reimbursement beginning with the most recent mortgage statement.

- IMA will cover monthly mortgage payments, including for homeowners who must leave their homes during the construction process, if they become displaced and remain 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 shall 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 and receipt for a monthly payment. IMA payments can cover up to 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. The award amount will be to cover the extra housing burden on the homeowner. This will be calculated as the lower of the monthly mortgage amount or the housing payment.

Payments will cover obligations on first mortgages, including seller-financed mortgages, in place at the time of the storm which impacted the homeowner applying to the IMA program.

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

Eligible Activity Type: Mortgage Assistance as made eligible by 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].

National Objective

Urgent Need and/or LMI

Monitoring and Compliance

Program Management and Programmatic staff will follow internal policies and procedures for the IMA Program which will include but are not limited to ensuring that eligibility is determined and is deemed necessary reasonable and that all payments are verified and vetted through the anti-fraud policies that are adopted by the Program.

September 27, 2013

Amendment #4 Substantial Amendment Interim Mortgage Assistance Program Public Comments

Below are the public comments we have received after posting substantial amendment to the IMA program.

Eligibility (DHAP):

Comment #1

Hey you must be kidding on page two I hope it's a miss print. You state home owners are not eligible for IMA if FEMA has help. When is someone going to start and do the right things by people. We were denied by FEMA because of EARTH MOVEMENT CAUSED BY THE FLOOD. I have a mortgage with HSBC they will not modify my loan because there is no equity, the house was demo because it was determined to be a 97.2% loss from the village of Freeport. I'm paying \$2029 dollars for HSBC, I'm paying on a 2nd mortgage of \$300 dollars and renting a one bedroom apartment for \$3,300 plus utilities of \$400 add that up and we are paying \$6029 a month. We need help! FEMA has helped with \$1300 a month; now do you know the hoops you have to jump through to get that help, paper work on top of paper work. Our dinner table is stacked with folders and forms. That's all we do is fill out forms 11 months and counting, have you told anyone about a proof of loss form, found on FEMA.org. Well if people don't fill it out by Oct.29 /13 they will lose their rights to sue their flood carrier and the same goes for ICC it also needs to be filled out. Not easy to do. take a look at it. Take a look at a face book page, sandy victims fighting fema thousand of people are still homeless across the south shore of long island. Be better than the ones finding ways to deny or stall until people give up. Take the eligible part out, you might then be really helping family's in need and you'll be able to say I TRULY HELPED PEOPLE.

Comment #2

The 4th bullet point under eligibility states:
"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)."

This should be amended to read, "Homeowner is not eligible for IMA coverage for a given month if they received other temporary housing assistance from another source (e.g. FEMA rental assistance, including Temporary Shelter Assistance, DHAP, or Insurance) equal to or greater than 150% Fair Market Rent ("FMR") for that same month from another source. Homeowner is not eligible to receive more than 150% FMR for any one month of combined monthly assistance (IMA combined with other sources)."

The reason for this amendment is that homeowners in the DHAP program are required to pay a portion of their monthly rent as determined by FEMA, based on income and housing expenses. Some homeowners are paying a substantial amount toward their rent payments while in this program and need additional assistance.

Response:

Based on the comments The State has changed the policy. A homeowner who has recently started DHAP is eligible for up to 6 months retroactive mortgage payments provided they meet all the other eligibility requirements. It is permissible that a homeowner receiving DHAP can also receive Interim Mortgage Assistance; however,

current mortgage payments directly impact DHAP awards and is a distinct line item entered for each client both pre-disaster and current. The actual impact will vary by client depending on their other housing expenses and income. It is recommended that each homeowner consult with either a disaster case manager or a case manager to weigh the pros and cons for their individual situation.

The reason IMA will affect their DHAP award is based on the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, which says that recipients receiving federal funding must not receive a duplication of benefits. If a homeowner is receiving rental assistance from another source then they cannot also receive assistance that is intended to relieve that same burden.

Eligibility (Duration)

COMMENT:

I just have a question/suggestion about the mortgage assistance this amendment discusses. Is there a provision to be made for people who are going to be displaced during the mitigation process? In other words, many people have fixed their homes and are now living in them again, but waiting for grants to be able to raise (not raze) to acceptable flood plain limits. Those people will need to find temporary housing during the raising process and, as far as I know, there is no aid for that as of yet. I think mortgage assistance would be a valuable tool for those families to be able to take the necessary time to do the job right.

Response:

In the State's IMA program a homeowner who is temporarily out of their out of their home due to repair, reconstruction and/or mitigation is eligible to receive assistance. IMA will cover monthly mortgage payments if they were displaced for a minimum of 1 month.

