Transition Assistance Program

Summary Guidelines

1. Program Overview	The Transition Assistance Program ("TAP") is one of CalHFA MAC's federally-funded programs developed to provide eligible homeowners with transition assistance when it is determined that they can no longer afford their home. TAP will be used in conjunction with short sale and deed-in-lieu programs to help homeowners make a smooth transition to housing. Homeowners will be required to occupy and maintain the property until the home is sold or returned to the lender as negotiated. Program funds will be available on a one-time only basis up to $5,000 per household and can be used or layered with other CalHFA MAC HHF programs. Funds will be sent to the servicer or homeowner after or in connection with the short sale or deed-in-lieu of foreclosure closing. Funds are intended to help the homeowner secure new housing (e.g., rent, moving expenses, and security deposits) and will also be available for transition assistance counseling services.
2. Program Goals	CalHFA MAC envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to homeowners who have suffered a financial hardship and as a result are no longer financially able to afford their mortgage payments.
3. Target Population / Areas	TAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$2,300,000.00

5. Borrower Eligibility Criteria	• Homeowner must qualify as a low-to-moderate income household, as follows:
	    ○ Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.
	
	    ○ Homeowner is presumed to satisfy income limits if

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	they have a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143. • Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship. • Homeowners who have recently encountered a financial hardship due to their military service are eligible. • Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC. • Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation. Loans in foreclosure are eligible. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come/, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property / Loan Eligibility Criteria	• Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750. • The property securing the mortgage loan must not be abandoned, vacant or condemned. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.

7. Program Exclusions	• Homeowner in an "active" bankruptcy is ineligible for TAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge". • Short Sales or Deed in Lieu that are closed prior to homeowner request to the KYHC CPC are ineligible for TAP assistance.
8. Structure of Assistance	TAP assistance will not be structured as a loan. After December 31, 2017, any remaining or returned funds will be returned to Treasury.
9. Per Household Assistance	Up to $5,000 per household (average funding of $5,000.00).
10. Duration of Assistance	Available on a one-time only basis, per household.
11. Estimated Number of Participating Households	Approximately 460. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $5,000.00.
12. Program Inception /Duration	The statewide launch of TAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.
13. Program Leverage with Other HFA Programs	TAP benefits may be available to the homeowner even if UMA, MRAP and/or PRP benefits have been utilized, subject to the HHF program maximum benefit cap of $100,000.
14. Program Interactions with HAMP	TAP complements HAMP and HAFA. The funds will leverage monies being made available through HAFA. Servicer is required to follow HAFA guidelines for allowable costs. In cases where the servicer has approved the homeowner for a HAFA transaction, TAP dollars will be limited to $2,000 in order to maintain the $5,000 HHF program maximum per household.

15. Program Leverage with Other Financial Resources	None.
16. Qualify as an Unemployment Program	☐ Yes ☑ No