



## Hawaii Homeowner Assistance Fund Program Overview

### Introduction to HCL

Hawaii Community Lending (HCL) is a US Department of the Treasury certified community development financial institution that was founded in 2014 to increase access to credit and capital for underserved, low- and moderate-income communities and households in the State of Hawaii. HCL accomplishes its mission by providing grants and loans for emergencies, credit building, debt reduction, and to assist local residents and social enterprises in obtaining, purchasing, and building affordable homes. HCL staff share a combined 50 years of experience in mortgage lending and servicing in Hawaii. HCL currently manages a \$6 million revolving loan fund and \$13 million in emergency assistance grant programming annually.

### Emergency Mortgage Assistance Funding

Through funding provided by the American Rescue Plan Act of 2021, the State of Hawaii and Counties of Hawaii and Kauai have allocated \$5 million for a pilot to HCL to provide non-recourse grants via the Homeowner Assistance Fund (HAF) to local homeowners unable to pay their mortgage. Upon completion of the pilot, an additional \$45 million will be allocated to implement a statewide program. The program will provide grants up to \$30,000 for mortgage reinstatement or principal reduction recast to prevent foreclosure for homeowners whose primary residence is on Hawaii Island or Kauai and need support with a 1<sup>st</sup> mortgage that was originated before March 1, 2020. Homeowners must have annual household incomes at or below 150% area median income, not own any other real property, have less than \$25,000 in liquid assets (or less than 5 times their monthly mortgage payment), and must have experienced financial hardship by having a 10%+ decrease in gross income from pre-COVID levels or 10%+ increase in household expenses based on gross pre-COVID income. 60% of total HAF assistance must support to households with annual incomes at or below 100% area median income and 40% of total HAF assistance must support homeowners from socially disadvantaged populations defined as (1) Native Hawaiian, (2) Pacific Islander, (3) Asian American, (4) multi-ethnic individuals who identify, at least in part, as any of the aforementioned categories, (5) Black, and (6) Hispanic. Subject to the legislative distribution requirements, assistance will be available on a first-come, first-approved basis until the funds are exhausted.

Servicers must inform HCL if homeowners have been reviewed for loss mitigation through the following programs, or in-house portfolio modifications, prior to receiving HAF assistance listed in the [HUD Mortgagee Letter 2021-18](#). While the program will request this information be provided, servicers will not be required to assess the homeowners for these programs.

**Program Funding:** \$5 million (for initial pilot), \$50 million (for statewide implementation)

**Assistance Per Homeowner:** \$30,000 grant (maximum amount)

**Total Assisted:** Approximately 1,500 homeowners

**Assistance Paid To:** Mortgage Servicers

**Program Timeline:** November 15, 2021 – Until funds disbursed

**Application Format:** Homeowner applies directly to a Financial Opportunity Center

**Outreach:** Community partner organizations (housing counseling agencies), public announcement, earned media, mortgage servicers



Pre-Screening Criteria

The following list is pre-screening eligibility criteria most relevant to Mortgage Servicer outreach efforts. Applicants must pass these eligibility criteria along with other income related criteria to be eligible to receive HAF assistance. These criteria are listed for informational purposes only. Servicer’s are not expected to pre-screen prospective HAF borrowers. Pre-screen criteria include:

- Homeowner criteria includes:
  - Must not own other real property
- Property criteria includes:
  - Must be owner-occupied
  - Must be a single-family or condo property
- Loan criteria includes:
  - Mortgage must have been originated before March 1, 2020
  - At application, borrower must report either (1) a 10%+ decrease in gross household income from pre-COVID levels or (2) a 10%+ increase in household expenses based on gross pre-COVID income
  - Lien must be in 1st position

Common Data File (CDF) Record Exchange

Building off the success of Hardest Hit Programs nationwide, HCL and Mortgage Servicers will be using the Common Data File (CDF) format for data exchange between servicers and HCL. The CDF will be accessible through OTIS, an online, password protected electronic client management system and must be filled in by HCL and the Mortgage Servicer in order to exchange borrower mortgage and assistance information in a safe and secure manner.

Due to Federal and State program requirements, we need V Records returned as quickly as possible. Delays may result in a denial for the borrower as funds are limited.

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
I – Initial Submission	HCL sends OTIS message to Servicer with initial request along with an executed Third-Party Authorization (TPA).	Servicer receives OTIS message to access borrower file and TPA through OTIS. Any foreclosures that are not scheduled within 7 days are postponed for 45 days.
V – Servicer Validation	HCL accesses borrower file in OTIS and conducts underwrite to approve or decline borrower.	Servicer validates data and TPA received from HCL in OTIS “V/O” Record section. If a complete, servicer returns the data file along with additional borrower, loan and payment information. Foreclosure action is on hold for 45-days to allow HCL to fund.

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
O – Servicer Objection	HCL receives file, reviews objection decisions. If HCL wishes to approve the borrower, objection reasons from the Servicer need to be resolved and a new I-record sent. HCL can decline the borrower following an objection from the Servicer, but this is not required.	Servicer updates OTIS “V/O” Record section with data along with reasons(s) for objection. Includes complete borrower, loan and payment data, as long as the TPA was received.
A - Approval	HCL sends OTIS message to Servicer with approval and program details. Funds can be transferred after 48 hours of sending an A-record.	Servicer receives OTIS message, accesses borrower file, and codes loan to be ready to accept funds.
D – Denial	HCL sends OTIS message to Servicer with decline and decline reason.	Servicer receives OTIS message and updates system. Normal servicing activities are resumed.
T – Termination	HCL sends OTIS message with termination notice to Servicer.	Servicer receives OTIS message and updates systems. At program completion, Servicer understands HCL will inform the borrower of program termination. Normal servicing resumes.
G – Guarantee Funds (for Principal Reduction Recast ONLY)	HCL sends OTIS message with allocated funding amount to Servicer.	Servicer receives OTIS message and uses funding to create borrower’s recast document and prepare to re-amortize loan.
W – Withdrawn	HCL receives records of withdrawn borrowers detailing withdrawn reason for each borrower. (HCL to send T-Record if after Approval).	Servicer updates “W” Record section in CDF to indicate borrower has been withdrawn from the program. Sent after “V” record. Reason for withdrawal indicated in the “HAF Withdrawn” field.
B – HCL Bulk Payment	HCL sends OTIS message with payment details to Servicer. Separately sends via ACH wire within 48 hours of sending B-record. The B-record should contain the applicable transaction reference number.	Servicer receives OTIS message and ensures payments are applied correctly. Discrepancies are resolved in communication with HCL directly.

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
P – Payments Applied	HCL received payment application information from Servicer in OTIS.	Servicer completes “P” Record data in CDF to indicate payments have been received, how these funds were applied and status of any discrepancies (overage/shortage).
F – Final Terms (for Principal Reduction Recast ONLY)	HCL receives detail of new loan information including new unpaid principal balance and new monthly payment. This information is often used to report post-assistance loan conditions.	Servicer completes “F” Record data in CDF to provide borrower’s new loan information – unpaid principal balance and new monthly payment.



## Hawaii Homeowner Assistance Fund Servicer On-Boarding

### Servicer “On-Boarding” & Support

There are just four easy steps to become an active HAF Mortgage Servicer, however, your borrowers’ HAF application cannot be fully processed until your firm and HCL have executed the HAF Collaborative Agreement. Upon an executing an agreement, we are able to make assistance payments on behalf of your borrowers. If our servicing partners have any questions, our support contacts can be found on the Contact Information below.

#### 1. Complete HAF Collaborative Agreement

This agreement will be signed electronically by the identified contact via DocuSign and automatically routed to our Executive Director for final ratification. Once it has been signed by both parties, a copy of the fully executed agreement will be sent to both parties.

#### 2. Complete OTIS Common Data File Training

Once the HAF Collaborative Agreement is executed, a designated servicer representative will receive OTIS login credentials to setup a user portal and a link to a recorded Common Data File training. The servicer representative will be required to complete the recorded training of the Common Data File to understand how to input borrower information into OTIS for accurate reporting under HAF.

#### 3. Complete and Return On-Boarding Documents

Once the HAF Collaborative Agreement is executed and OTIS Common Data File training completed, servicer will return the following documents to [HCL@hawaiiancommunity.net](mailto:HCL@hawaiiancommunity.net) to begin your onboarding:

- ACH Authorization Letter
- A completed and signed Form W-9

#### 4. Prenote/Penny Test

The final step to completing the “on-boarding” process will be for HCL to attempt a prenote test ensure our assistance payments will successfully deposit to the account identified on the ACH Authorization Letter. Once a Collaborative Agreement is fully executed, Common Data File Training completed, and ACH forms provided, the supplied ACH information will be set up for payments. When the information is entered into our system, a prenote, or test transaction for \$0.00, will be attempted to confirm our ability to process deposits to the servicer specified account.

Your verification that the prenote was successful is required to complete the on-boarding process. A representative of HCL will reach out to confirm the prenote was sent and to request this confirmation. If for some reason the prenote fails, the supplied ACH Account Information will be verified and corrected if needed and a penny test (\$0.01) will be attempted to confirm successful deposit into the servicer account.



**Hawaii Community Lending  
Homeowner Assistance Fund (HAF) Summary Guidelines**

1. Program Overview	<p>Funds will be used to cure delinquencies for:</p> <ol style="list-style-type: none"> <li>1. Eligible mortgage loans only, and;</li> <li>2. Other housing related expenses whether or not homeowners have an eligible mortgage as defined below.</li> </ol> <p><b>Funds used will be provided only after all loss mitigation efforts (loan modification, payment plans, etc.) are explored (including association dues, utilities, etc.) and only when subsidy funds are needed to keep the homeowners in the home with an affordable payment that might not otherwise occur without provision of the subsidy funds. Total subsidy funds per household will be capped at \$30,000.</b></p>
2. Program Goal	<p>The goal of HAF is to prevent default or foreclosure for qualified Hawaii homeowners who have experienced financial hardship related to loss of income or increased expenses during COVID.</p>
3. Target Population/Areas	<ul style="list-style-type: none"> <li>• The program will initially open to homeowners on Kauai and Hawaii Island and expanded statewide after the initial pilot</li> <li>• Assistance is intended for households at or below 120% AMI prior to loss of income or increased expenses during COVID</li> </ul>
4. Program Allocation (includes administrative expenses)	<ul style="list-style-type: none"> <li>• \$5,000,000 pilot program</li> <li>• \$50,000,000 overall</li> </ul>
5. Eligible Mortgage Criteria	<p>Mortgages must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Forward first mortgage term loans only</li> <li>• Mortgage must have been originated prior to March 1, 2020</li> <li>• Mortgage must have been originated before March 1, 2020</li> <li>• At application, borrower must report either (1) a 10%+ decrease in gross household income from pre-COVID levels or (2) a 10%+ increase in household expenses based on gross pre-COVID income</li> <li>• Lien must be in 1st position</li> <li>• Mortgage must have been originated below conforming loan limits             <ul style="list-style-type: none"> <li>• \$822,375 (GSE + VA)</li> <li>• \$719,900 (FHA Kauai)</li> <li>• \$408,250 (FHA Hawaii)</li> <li>• \$725,000 (USDA Kauai)</li> <li>• \$600,000 (USDA Hawaii)</li> </ul> </li> </ul>
5. Borrower Eligibility Criteria	<p>Applicants must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Must have experienced loss of income or increased expenses on or after 3/1/2020</li> <li>• Annual household income must be at or below 150% of area median at application</li> </ul>

6. Property Eligibility Criteria	Property criteria includes: <ul style="list-style-type: none"> <li>• One-unit single family detached or condo.</li> <li>• Primary residence only.</li> <li>• Property located in Hawaii.</li> </ul>
7. Program Exclusions	Home equity lines of credit, second lien mortgages, and reverse mortgages are not eligible for assistance.
8. Structure of Assistance	Assistance will be in the form of a non-recourse grant.
9. Per Household Assistance	Up to \$30,000 per household
10. Duration of Assistance	Assistance will fully reinstate the past due amount or secure a principal reduction recast.
11. Estimated Number of Participating Households	An estimated 1,500 households are anticipated to receive assistance through the statewide program.
12. Program Inception/Duration	The program will launch November 15, 2021 and remain open until funds are fully disbursed.

**HOMEOWNER ASSISTANCE FUND**  
**COLLABORATION AGREEMENT TEMPLATE**

(October 1, 2021)

COLLABORATION AGREEMENT made this \_\_\_\_\_ (“Agreement Date”) between \_\_\_\_\_ (“Servicer”) and the State of Hawaii acting by and through Hawaii Community Lending, Inc. (“Program Administrator”).

**BACKGROUND**

1. Pursuant to Section 3206 of the American Rescue Plan Act of 2021, Congress established in the Department of the Treasury and funded a Homeowner Assistance Fund (“HAF”) to mitigate financial hardships associated with the coronavirus pandemic by providing appropriated funds to eligible entities for, among other purposes preventing homeowner mortgage delinquencies, defaults, and foreclosures through “qualified expenses” related to mortgages and housing, which include financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance, delinquency, or default.
2. Program Administrator is a participating agency for the distribution of certain of the HAF funds and has adopted a Mortgage Assistance Program to guide such distribution of funds.
3. Servicer services residential mortgage loans of borrowers who are delinquent or in default, forbearance or deferral and who may be eligible for the receipt of HAF funds from the Program Administrator.
4. Program Administrator and Servicer desire to cooperate to facilitate the timely distribution of HAF funds to Servicer for the account of eligible borrowers to enable the borrower to cure outstanding arrearages and cause the reinstatement of the mortgage loan or to pay other housing-related costs related to a period of forbearance, delinquency, or default assistance, in accordance with the principles and processes outlined in this Agreement.

**UNDERSTANDINGS**

Program Administrator and Servicer acknowledge and agree that:

1. As between Servicer and Program Administrator, Program Administrator has sole responsibility to determine whether a borrower is eligible for HAF funds and, if so, for how much and for what purpose(s).
2. As between Servicer and Program Administrator, Servicer has sole responsibility to administer and service the mortgage loan as to which a borrower may be eligible for HAF funds, including to determine the amounts of either any



outstanding arrearages that the borrower may owe on a mortgage loan in order to reinstate the mortgage loan or to enable the borrower to pay other housing related costs related to a period of forbearance, delinquency, or default.

3. Servicer administers and services any such mortgage loan in accordance with applicable law, a third-party servicing agreement, applicable insurance policies, and potentially other contractual requirements. Nothing in this Agreement is intended to require, or will require, Servicer to violate or breach these requirements.
4. Program Administrator may contact Servicer, or Servicer, with proper authorization from the borrower, may contact Program Administrator, about the potential availability of HAF funds to cure a particular borrower's arrearages or to pay other housing-related costs related to a period of forbearance, delinquency, or default.
5. Subject to the receipt of an executed "Third Party Authorization" in the form attached to this Agreement as Exhibit A ("Third Party Authorization") authorizing Servicer to share with Program Administrator information about the status of borrower's mortgage loan, Servicer will share such information with Program Administrator through a mutually agreeable form of common data file, or other mutually-agreed upon format. Program Administrator in turn will evaluate such information, determine if the borrower is eligible for HAF funds and, if so, for how much and for what purposes(s) and share such determinations with the borrower and Servicer.
6. If the amount of approved HAF funds is insufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, Program Administrator may consult with the borrower to discuss borrower's willingness and ability, either directly or through other third parties, to supplement the available HAF funds to cure such arrearage or pay other outstanding amounts due under the mortgage loan and Program Administrator will notify Servicer accordingly.
7. If the amount of approved HAF funds is sufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, either alone or in combination with any other funds payable by or on behalf of borrower, Program Administrator and Servicer will cooperate to facilitate the timely distribution of HAF funds by Program Administrator to Servicer for the account of the borrower and the timely application by Servicer of such funds (and any other funds paid by or on behalf of borrower) to the account of the borrower, in accordance with applicable law and servicer's standard policies and procedures for handling mortgage payments.
8. Both Servicer and Administrator agree that time is of the essence in Program Administrator's determination of a borrower's eligibility for HAF and the subsequent distribution and application of HAF funds. Timely application by

Servicer of sufficient HAF funds and other supplementary funds for the account of the borrower is governed by applicable law.

9. All communication that includes borrower's "Nonpublic Personal Information" between Program Administrator and Servicer will be through encrypted email, secure loan port or other similar secure electronic delivery system. In accordance with HUD, privacy, telemarketing, and information security laws, regulations, and guidelines, Program Administrator and Servicer will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, including, without limitation, appointing a manager or group to coordinate compliance with the confidentiality obligations herein, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards. For the purposes of this Agreement, the term "Nonpublic Personal Information" is any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, or financial data, medical or health records, personal, gender, political, profile, account, and password information.
10. Execution of this Agreement is voluntary and either party may terminate this Agreement without cause with 30 days written notice. A Servicer may choose to participate in one or more HAF programs.
11. Program Administrator or its third-party partners assisting in the intake function must secure written authorization from each borrower to share information. Servicer must receive a copy of the signed Third Party Authorization Form.
12. HAF funds are eligible for use through the two programs: (1) full reinstatement program and (2) principal reduction recast program. See HAF Program Term Sheets in Exhibit B.

13. Servicer and Program Administrator may agree for the provision of reports and other information in mutually agreeable form and content relating to the subject of this Agreement.
14. Program Administrator is responsible for continuing eligibility of the borrower for its HAF program and any related fraud detection. Servicer will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible.
15. Servicer will conduct any transfer of servicing rights pertaining to mortgage loans covered under this Agreement in accordance with Regulation X implementing the Real Estate Settlement Procedures Act.
16. Where applicable, Program Administrator will provide at least 30 days' notice to Servicer before it will cease, reduce or otherwise vary borrower payments from that previously disclosed to Servicer in order to allow Servicer time to evaluate the borrower for other loss mitigation options.
17. Should Servicer receive more funds than needed from Program Administrator or the account of any particular borrower, Servicer will remit the surplus funds back to Program Administrator within thirty (30) days of receiving the funds. If the surplus funds are equal to or less than (\$1,000.00), Servicer does not need to remit the funds back to the Program Administrator, but instead, will apply those funds to reduce that borrower's outstanding loan principal.
18. Servicer and Program Administrator each will establish a specific point of contact for HAF cases and HAF program matters ("Servicer Point of Contact" and "Program Administrator Point of Contact", respectively), whom they may change from time to time at their discretion.
19. Initially, the Servicer Point of Contact is:  
  
Name:  
  
Phone:  
  
Email:
20. Initially, the Program Administrator Point of Contact is:  
  
Name:  
  
Phone:  
  
Email:
21. Servicer is not authorized or empowered to determine and/or communicate to the homeowner eligibility for HAF foreclosure prevention programs. Program

Administrator is not authorized or empowered to determine and/or communicate to the homeowner eligibility for foreclosure prevention programs of Servicer. Program Administrator retains sole authority for its program eligibility determination and communication to the homeowner and Servicer. Servicer will communicate with borrowers and Program Administrator regarding loan modification and other Servicer-driven approvals.

PROGRAM ADMINISTRATOR:

SERVICER:

Program Administrator Name

Servicer Name

By: \_\_\_\_\_

By: \_\_\_\_\_

Program Administrator Official

Servicer Official

Title

Title

**EXHIBIT A**

**Third Party Authorization**

# HOMEOWNER ASSISTANCE FUND

## Third Party Authorization

“I” and “My” means and refers to individually and collectively the undersigned Owner and Co-Owner (if any), and any non-owner borrower identified below.

“Servicer” means the first mortgage lender/servicer identified below.

“Third Party” means individually and collectively the third parties (including their employees, contractors, subcontractors, agents, successor, and assigns) identified below.

I authorize the Servicer and any Third Party to obtain, share, release, discuss, and otherwise provide to and with each other and with my public and non-public personal information contained in or related to my mortgage loans, insurance policies and associated premiums, tax and homeowner payment obligations. This information may include (but is not limited to) the name, address, telephone number, social security number, credit score, credit report, income, government monitoring information, loss mitigation application status, account balances, program eligibility, and payment activity of the Owner and non-owner borrower. I also understand and consent to the disclosure of my personal information and the terms of any applications, agreements, or other communications under Homeowner Assistance Fund Programs by Servicer or State HFA to the U.S. Department of the Treasury or their agents in connection with their responsibilities under the American Rescue Plan Act of 2021.

The Servicer and any Third Party is authorized to take such steps as it may deem reasonable to verify the identity of a Third Party, but has no responsibility or liability to verify the identity of such Third Party. The Servicer also has no responsibility or liability for what a Third Party does with such information.

### **Before signing this Third Party Authorization, beware of foreclosure rescue scams!**

- A HUD-approved housing counselor, HFA representative or other authorized third party may work directly with the Owner’s lender/mortgage servicer.
- The Owner can visit <https://www.hud.gov/findacounselor> to identify a HUD-approved housing counseling agency.
- Beware of anyone who asks for a fee in exchange for a counseling service or modification of a delinquent loan.

All owners and non-owner borrowers should sign this Third Party Authorization. This Third Party Authorization is not revocable except as otherwise required by applicable law.

\_\_\_\_\_  
**First Mortgage Lender/Servicer Name**  
**Property Address:** \_\_\_\_\_

\_\_\_\_\_  
**[Account][Loan] Number**

### **THIRD PARTIES:**

\_\_\_\_\_  
**Hawaiian Community Assets, Inc.**

\_\_\_\_\_  
**[Agency Contact Name and Phone Number]**

\_\_\_\_\_  
**Hawaii Community Lending, Inc.**

\_\_\_\_\_  
**[State HFA Contact Name and Phone Number]**

\_\_\_\_\_  
**[Other Third Party]**

\_\_\_\_\_  
**[Third Party Contact Name and Phone Number]**

The following are optional:

Second Mortgage Lender/Servicer Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

Hazard Insurance Company: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

Condominium Association (if applicable): \_\_\_\_\_  
Phone Number: \_\_\_\_\_



City/Town/County Taxing Authorities: \_\_\_\_\_  
Phone Number

Name of Owner: \_\_\_\_\_

Employer: \_\_\_\_\_  
Phone Number

Name of Owner: \_\_\_\_\_

Employer: \_\_\_\_\_  
Phone Number

Name of Non-Owner Borrower: \_\_\_\_\_

Employer: \_\_\_\_\_  
Phone Number

Name of Non-Owner Borrower: \_\_\_\_\_

Employer: \_\_\_\_\_  
Phone Number

Owner's Attorney: \_\_\_\_\_  
Phone Number:

Other Designated Representative(s) authorized to act on behalf of Owner:

Name(s) and Telephone Number(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Relationship: \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Relationship: \_\_\_\_\_

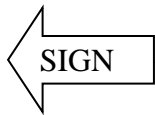
Other  
\_\_\_\_\_

**I UNDERSTAND AND AGREE WITH THE TERMS OF THIS THIRD-PARTY AUTHORIZATION:**

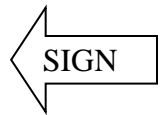
**Owner**

**Co-Owner**

\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



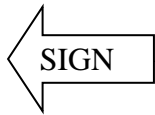
\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



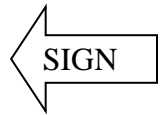
**Additional Co-Owner**

**Additional Co-Owner**

\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



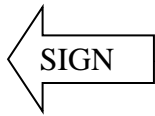
\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



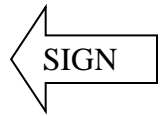
**Non-Owner Borrower**

**Additional Non-Owner Borrower**

\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



\_\_\_\_\_  
**Printed Name**  
\_\_\_\_\_  
**Signature**  
\_\_\_\_\_  
**Date**



**EXHIBIT B**

**HAF Program Term Sheets**



## Mortgage Reinstatement Program Term Sheet

<u>Criteria</u>	<u>Terms</u>
<b><u>HAF Program Overview</u></b>	<p>The HAF Program will offer various forms of assistance including financial counseling, foreclosure mitigation counseling, legal aid, and payments for mortgage and other housing related expenses. Funds provided will eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan on forward first mortgages.</p> <p>The following types of payment assistance will be offered under the HAF Program:</p> <ol style="list-style-type: none"> <li>1. Payments for eligible mortgage delinquencies <ul style="list-style-type: none"> <li>• Homeowners who experienced a <b>temporary hardship</b>, whose income has been re-established, and who are <u>able</u> to re-establish the original principal and interest monthly mortgage payment</li> <li>• Homeowners who experienced a <b>permanent hardship</b> with decrease of income and/or increase in expense such that they are <u>unable to re-establish</u> the original principal and interest monthly mortgage payment</li> </ul> </li> <li>2. Payments for other delinquent housing related expenses <ul style="list-style-type: none"> <li>• Past-due housing related expenses include condo association maintenance (HOA) fees, PUD community association fees, leasehold payments, property taxes, utility payments, and/or any hazard, hurricane, flood, or mortgage insurance whether or not the homeowners have an eligible mortgage</li> </ul> </li> </ol> <p>HAF payment assistance for any qualified debt owed, will not be made unless all loss mitigation options for loan or payment plans for housing related expenses have been exhausted and is deemed necessary in order to prevent foreclosure or displacement.</p>
<b><u>Brief description</u></b>	<p>Provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages.</p> <p>HAF Funds may be used to bring account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners’ association fees or utilities that the servicer advanced to protect lien position. Payment may also include any reasonably required legal fees.</p> <p>HAF funds will be used only to supplement other loss mitigation options offered by the servicer under investor requirements or where, without HAF funds, the homeowner would not qualify for that loss mitigation option.</p>

<p><b><u>Maximum amount of assistance per homeowner</u></b></p>	<p>Each Homeowner will be eligible for up to \$30,000 for all assistance types under the HAF program to be used only for the homeowner's primary residence.</p>
<p><b><u>General eligibility criteria</u></b></p>	<p>Property eligibility criteria:</p> <ul style="list-style-type: none"><li>• One-unit single family detached (including Ohana or accessory dwelling units) or condominium unit located in Hawaii and occupied as homeowner's primary residence.</li></ul> <p>Homeowner eligibility criteria:</p> <ul style="list-style-type: none"><li>• At least one of the occupying household members must also have a vested interest in the property.</li><li>• Do not have an interest (100% or partial interest) in other real property suitable for dwelling purposes besides the primary residence, whether that other interest is held as individual or as trustee through an inter-vivos living trust.</li><li>• Have experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that date) and which has impacted the homeowner's ability to make mortgage or other housing related expenses. A qualifying financial hardship is defined as a reduction in income or an increase in household living expenses of at least 10 percent associated with the COVID-19 pandemic (e.g., unemployment, reduction in regular work hours/tips/commissions or self-employment income, or increased expenditures).</li><li>• Have an income equal to or less than 150 percent of the HUD-established area median income.</li><li>• Have no more than five (5) months-worth of total housing expenses in liquid assets (exclusive of retirement (IRA, SEP, 401K), college (529), or health savings accounts).</li></ul> <p>Mortgage eligibility criteria:</p> <ul style="list-style-type: none"><li>• Forward first mortgage</li><li>• Mortgage originated prior to March 1, 2020</li><li>• Home equity lines of credit are not eligible</li><li>• Reverse mortgages are not eligible</li></ul>

<b><u>Criteria</u></b>	<b><u>Terms</u></b>
<b><u>Homeowner eligibility criteria and documentation requirements</u></b>	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> <li>• Statement of current ability to resume any required regular payments after account is reinstated</li> </ul> <p>Indicate documentation requirements listed here:</p> <ul style="list-style-type: none"> <li>• Written attestation as to household income together with supporting documentation such as paystubs, W-2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer.</li> <li>• Statements for mortgage and housing related expenses, as applicable.</li> <li>• A credit report may be pulled.</li> </ul>
<b><u>Loan eligibility criteria specific to the program</u></b>	<p>Delinquent by at least one payment, including any payments during a forbearance period.</p>
<b><u>Form of assistance</u></b>	<p>Assistance will be structured as a non-recourse grant.</p>
<b><u>Payment requirements</u></b>	<p>Payments may be made directly to the lender or servicer, as appropriate, or other third-party payee authorized by the servicer, or other third party authorized to collect eligible charges in accordance with reinstatement instructions received from the payee.</p>

## Mortgage Default Resolution (Principal Reduction Recast) Program Term Sheet

<u>Criteria</u>	<u>Terms</u>
<u>HAF Program Overview</u>	<p>The HAF Program will offer various forms of assistance including financial counseling, foreclosure mitigation counseling, legal aid, and payments for mortgage and other housing related expenses. Funds provided will eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan on forward first mortgages.</p> <p>The following types of payment assistance will be offered under the HAF Program:</p> <ol style="list-style-type: none"> <li>1. Payments for eligible mortgage delinquencies <ul style="list-style-type: none"> <li>• Homeowners who experienced a <b>temporary hardship</b>, whose income has been re-established, and who are <u>able</u> to re-establish the original principal and interest monthly mortgage payment</li> <li>• Homeowners who experienced a <b>permanent hardship</b> with decrease of income and/or increase in expense such that they are <u>unable to re-establish</u> the original principal and interest monthly mortgage payment</li> </ul> </li> <li>2. Payments for other delinquent housing related expenses <ul style="list-style-type: none"> <li>• Past-due housing related expenses include condo association maintenance (HOA) fees, PUD community association fees, leasehold payments, property taxes, utility payments, and/or any hazard, hurricane, flood, or mortgage insurance whether or not the homeowners have an eligible mortgage</li> </ul> </li> </ol> <p>HAF payment assistance for any qualified debt owed, will not be made unless all loss mitigation options for loan or payment plans for housing related expenses have been exhausted and is deemed necessary in order to prevent foreclosure or displacement.</p>
<u>Brief description</u>	<p>Provide funds for loss mitigation measures intended to result in a permanently sustainable monthly payment for borrowers unable to meet scheduled payment requirements due to a financial hardship associated with the Coronavirus pandemic. Funds may be used to effect principal reductions; reduce the rate of interest; recast payment terms; repay funds advanced by the servicer on the borrower’s behalf; and as otherwise appropriate to ensure such assistance, when leveraged with other available loss mitigation options, results in a sustainable monthly payment amount for the borrower.</p>

<p><b><u>Maximum assistance per homeowner</u></b></p>	<p>Each Homeowner will be eligible for up to \$30,000 for all assistance types under the HAF program to be used only for the homeowner's primary residence.</p>
<p><b><u>Homeowner eligibility criteria and documentation requirements</u></b></p>	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"><li>• Statement of current inability to resume mortgage payments due to unemployment, underemployment or other continuing hardship.</li></ul> <p>Indicate documentation requirements:</p> <ul style="list-style-type: none"><li>• Written attestation as to household income together with supporting documentation such as paystubs, W-2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer.</li><li>• Statements for mortgage and housing related expenses, as applicable.</li><li>• A credit report may be pulled.</li></ul>

<b><u>Criteria</u></b>	<b><u>Terms</u></b>
<b><u>Loan eligibility criteria</u></b>	<ul style="list-style-type: none"><li>• Must be delinquent by at least one installment payment (including payments missed during a forbearance period) or otherwise in default, as reflected in documentation from the payee or the payee's agent.</li></ul>
<b><u>Form of assistance</u></b>	Assistance will be structured as a non-recourse grant.
<b><u>Payment requirements</u></b>	Funds will be paid, as applicable, to the mortgage servicer or other third-party payee authorized by the servicer, or other third party authorized to collect eligible charges in accordance with reinstatement instructions received from the payee.

**EXHIBIT C**

**Sample Common Data File Survey**

CDF Survey

Instructions. HCL Mortgage Loan Consultant should confirm the borrower has an executed Third Party Authorization. If an executed Third Party Authorization is on file, HCL Mortgage Loan Consultant should complete the borrower information section and all data fields requested in the "I" Record Data section. Once completed, the HCL Lending Director will submit a request to the Servicer to complete all fields in the "V/O" Record Data for the borrower. Question marks provide prompts and guidance for completion of the form

Enrollment Begin Date & Time

Provider

Address

Program Type:

Servicer Name:

"I" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
I-Initial Submission	HCL sends OTIS message to Servicer with initial request along with an executed Third-Party Authorization (TPA).	Servicer receives OTIS message to access borrower file and TPA through OTIS. Any foreclosures that are not scheduled within 7 days are postponed for 45 days.

Data Needed for New Submissions From HCL to Servicer

Record Type I

I Record Start Date

I Record End Date

Loan Number

Borrower Name

Borrower SSN

Borrower 2 First Name

Borrower 2 Middle Name

Borrower 2 Last Name

Borrower 2 SSN

Co-Borrower First Name



Co-Borrower Middle Name

Co-Borrower Last Name

Co-Borrower SSN

Property Street Address

Property City

Property State

Property Zipcode

Property County

"V/O" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
V-Servicer Validation	HCL accesses borrower file in OTIS and conducts underwrite to approve or decline borrower.	Servicer validates data and TPA received from HCL in OTIS "V/O" Record section. If a complete, servicer returns the data file along with additional borrower, loan, and payment information. Foreclosure action is on hold for 45-days to allow HCL to fund.
O -Servicer Objection	HCL receives file, reviews objection decisions. If HCL wishes to approve the borrower, objection reasons from the Servicer need to be resolved and a new I-record sent. HCL can decline the borrower following an objection from the Servicer, but this is not required.	Servicer updates OTIS "V/O" Record section with data along with reasons(s) for objection. Includes complete borrower, loan, and payment data, if the TPA was received.

New Submission Data from Servicer to HCL

Instructions. Servicer representative will gain access to the borrower's executed Third-Party Authorization. Service representative should complete all fields in the "V/O" Record Data section on this page as soon as possible after receiving the "I" Record data so that program Denials or Approvals are processed within 30 days of the Servicer receiving "I" Record Data. Once completed, HCL will process borrower for Denial or Approval. If reinstatement good through date expires before Denial or Approval is processed, HCL will submit to Servicer "Q" Record Data to request a new quote. If applicable, Servicer will submit "Y" Record Data to respond to HCL's "Q" Record request and provide a re-validated reinstatement quote and good through date. Question marks provide prompts and guidance for completion of the form.

Record Type V/O

V/O Record Start Date

V/O Record End Date

Origination Date

Loan Type

Loan Escrowed

Investor Code

Next Payment Change Date

Loan unpaid Principal Balance Amount

Next Payment Due Date

Total Past Due less fees

Reinstatement Good through Date

Next Contractual due PI amount <input type="text"/>	Next Contractual due Tax Amt <input type="text"/>
Next Contractual due Insurance Amt <input type="text"/>	Next Contractual due HOA and Misc amt <input type="text"/>
Next Contractual due Escrow Overage Underage <input type="text"/>	Next Contractual due PITIA <input type="text"/>
Current scheduled PITIA <input type="text"/>	MHA program <input type="text"/>
MHA Status <input type="text"/>	MHA Status Other <input type="text"/>
Performance Status <input type="text"/>	Lien position at origination <input type="text"/>
Scheduled Foreclosure Sale <input type="text"/>	Scheduled Foreclosure Sale Date <input type="text"/>
Active Bankruptcy <input type="text"/>	Objection <input type="text"/>
Objection Reason <input type="text"/>	Objection Reason other <input type="text"/>
Original Term <input type="text" value="9999"/>	Remaining Term <input type="text" value="9999"/>
Maturity Date <input type="text"/>	3rd party Authorization on file <input type="text"/>
Client Designation <input type="text"/>	Corporate Advances for Reinstatement <input type="text"/>
Total Escrow Advances for Reinstatement <input type="text"/>	Escrow Advances for Reinstatement Delinquent Taxes <input type="text"/>
Escrow Advances for Reinstatement Delinquent Insurance <input type="text"/>	Escrow Advances for Reinstatement Forced Place Insurance <input type="text"/>
PDF Record ID <input type="text"/>	

Quarterly Servicer Loan Status Report

Data from Servicer to HCL for quarterly status reporting

Instructions. Service representative should provide an updated loan status quarterly while the borrower file is actively being reviewed for HAF assistance. Question marks provide prompts and guidance for completion of the form.

Loan Status	Loan Status Date
<input type="text"/>	<input type="text"/>

MHA Program Flag

"A/D/T/G" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
A - Approval	HCL sends OTIS message to Servicer with approval and program details. Funds can be transferred after 48 hours of sending an A-record.	Servicer receives OTIS message, accesses borrower file, and codes loan to be ready to accept funds.
D – Denial	HCL sends OTIS message to Servicer with decline and decline reason.	Servicer receives OTIS message and updates system. Normal servicing activities are resumed.
T-Termination	HCL sends OTIS message with termination notice to Servicer.	Servicer receives OTIS message and updates systems. At program completion, Servicer understands HCL will inform the borrower of program termination. Normal servicing resumes.
G – Guarantee Funds (for Principal Reduction Recast ONLY)	HCL sends OTIS message with allocated funding amount to Servicer.	Servicer receives OTIS message and uses funding to create borrower’s recast document and prepare to re-amortize loan.

Data from HCL to Servicer at Approval and Termination

Instructions. HCL Lending Director should complete the “A/D/T/G” Record Data fields once program Denial, Approval, or Termination from either the Mortgage Reinstatement or Principal Reduction Recast program. “G” Record Data files must be completed by HCL representative only after borrower has been Approved for the Principal Reduction Recast program. Question marks provide prompts and guidance for completion of the form

Record type A/D/T	A/D/T/G Record Start Date
<input type="text" value="A/D/T/G Record"/>	<input type="text"/>
A/D/T/G Record End Date	HCL Program
<input type="text"/>	<input type="text" value="Homeowner Assistance Fund"/>

Program Begin Date	<input type="text"/>	Expected End Payment Date	<input type="text"/>
Actual Program End Date	<input type="text"/>	Total Funds Allocated	<input type="text"/>
Total Funds paid	<input type="text"/>	Reason for Denial or Termination	<input type="text"/>
Remaining Available HAF Balance	<input type="text"/>		

"B" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
B – HCL Bulk Payment	HCL sends OTIS message with payment details to Servicer. Separately sends via ACH wire within 48 hours of sending B-record. The B-record should contain the applicable transaction reference number.	Servicer receives OTIS message and ensures payments are applied correctly. Discrepancies are resolved in communication with HCL directly.

From HCL to Servicer Bulk Payment Disbursements

Instructions. HCL Lending Director should complete the “B” Record Data fields after program approval. Payment details will be sent with “B” Record Data to the Servicer and ACH wire funds within 48 hours of sending a B-record. The B-record should contain the applicable transaction reference number. Question marks provide prompts and guidance for completion of the form

Record Type B	<input type="text" value="B Record"/>	B Record Start Date	<input type="text"/>
B Record End Date	<input type="text"/>	Payment Reference Number	<input type="text"/>
Amount Paid by HCL this Month	<input type="text"/>	Number of Monthly Payments	<input type="text"/>
Scheduled Payment Date	<input type="text"/>		

"P" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
P – Payments Applied	HCL received payment application information from Servicer in OTIS.	Servicer completes "P" Record data in CDF to indicate payments have been received, how these funds were applied and status of any discrepancies (overage/shortage).

P record Servicer to HCL

Instructions. Servicer representative should complete the "P" Record Data fields within 10 days of receiving the B-record from HCL to report how HAF payments have been applied. Question marks provide prompts and guidance for completion of the form.

Record Type P

P Record Start Date

P Record End Date

Payment Applied

Amount of Shortage or Overage

Status of Discrepancy

ACH Return Number

ACH Return Date

Underwriting Detail

Gross Monthly Income

Income Type

Monthly Debt

DTI

Property Value

LTV

Current Borrower Credit score

Owner Occupied verified

Monthly Gross Expenses

Trial Modification Detail

UPB After Modification Trial

Interest Rate After Modification Trial

Amortization Term After Modification Trial

PITI Payment after Modification Trial

Principal Forbearance Amount Trial

Principal Forgiveness Amount Trial

First Trial Payment Due Date Trial

Estimated HCL PR Contribution Trial

"F" Record Data

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
F – Final Terms (for Principal Reduction Recast ONLY)	HCL receives detail of new loan information including new unpaid principal balance and new monthly payment. This information is often used to report post-assistance loan conditions.	Servicer completes "F" Record data in CDF to provide borrower's new loan information – unpaid principal balance and new monthly payment.

From Servicer to HCL for final recast loan terms

Instructions. Servicer representative should complete the "F" Record Data on the next 2 pages within 60 days of sending the P-Record to HCL. This will provide the data necessary to determine final recast loan terms for a Principal Reduction Recast and allow HCL to move forward with officially Terminating the approved borrower from CDF reporting. Question marks provide prompts and guidance for completion of the form.

Modification Detail

Record type F

F Record Start Date

F Record End Date

UPB Post Assistance

Interest Rate After Modification Perm

Amortization Term Post Assistance

PITI Payment Post Assistance

Principal Forbearance Amount Perm

Principal Forgiveness Amount

Permanent Modification Date (next payment due date)

Remaining Term (# of Payment Months Remaining)

Final HCL PR Contribution Perm

Interest Rate before HAF Assistance

Modification Detail - Provided with the F record

Capitalized Amount (model input) at time of perm

Monthly Taxes, Insurance, HOA model input at time of perm

Freddie Mac PMMS 30yr FRM input rate @ NPV Model Run Date at time of perm



"W" Record Data

Process Related fields

Records From HCL		Responses From Servicer
HAF Process Steps	Description	Description
W-Withdrawn	HCL receives records of withdrawn borrowers detailing withdrawn reason for each borrower. (HCL to send T-Record if after Approval).	Servicer updates "W" Record section in CDF to indicate borrower has been withdrawn from the program. Sent after "V" record. Reason for withdrawal indicated in the "HAF Withdrawn" field.

Maximum PR Assistance

HAF Withdrawn

HAF Withdrawn other

Principal Reduction Schedule:

Principal Reduction Schedule Date 1

Principal Reduction Schedule Date 2

Principal Reduction Schedule Date 3

GMI (Government Monitoring Information)

Borrower Choose not to furnish

Borrower Race

Borrower Ethnicity

Borrower Sex

Co-Borrower chose not to furnish

Co-Borrower Race

Co-Borrower Ethnicity

Co-Borrower Sex

Verification data for PR

Modification Program name for calculator input

Unpaid Principal Balance before modification

Capitalized Amount (model input) at time of trial

Monthly Taxes, Insurance, HOA model input at time of trial

Principal and Interest Payment Before Modification

Freddie Mac PMMS 30yr FRM input rate @ NPV Model Run Date at time of trial

J Program Lien Extinguishment Fields

Payoff Amount

Payoff Good Through Date

Payoff PerDiem Amount

Payoff Late Fee Amount

Payoff Prepayment Penalty Amount

Lien Indicator

HCL Contribution

Funding Source

Deferred Balance

HAF Required Principal Forgiveness Amount

SvcR1

SvcR2

SvcR3

SvcR4

SvcR5

HCLR1

HCLR2

HCLR3

HCLR4

HCLR5

HAF Fields V and Y records servicer to HCL

COVID 19 FB - Y/N

Start Date of COVID 19 FB

End Date of COVID 19 FB

Post COVID 19 FB Workout

COVID 19 Deferred Balance

Loan Type2

Loan Type2 other

## EXHIBIT D

### Servicing Onboarding and Support Contact List

<b>Staff Member</b>	<b>Title/HAF Responsibilities</b>	<b>Email</b>
Jeff Gilbreath	Executive Director/Service Agreements	<a href="mailto:jeff@hawaiiancommunity.net">jeff@hawaiiancommunity.net</a>
Kahaunani Mahoe-Thoene	Lending Director/Service Point of Contact	<a href="mailto:kahau@hawaiiancommunity.net">kahau@hawaiiancommunity.net</a>
All Staff	General Inquiries	<a href="mailto:HCL@hawaiiancommunity.net">HCL@hawaiiancommunity.net</a>