



FIRST – COME FIRST – SERVED PROGRAM GUIDELINES

TOWN OF BABYLON CDBG-CV COVID-19 MORTGAGE ARREARS PROGRAM

PROGRAM SUMMARY:

The Town of Babylon (the “Town”) COVID-19 Mortgage Arrears Program (the “Program”) is intended to aid low-to-moderate income households with mortgage arrears incurred on or after April 1, 2020 due to a COVID-19 related loss of income. The Long Island Housing Partnership (“LIHP”) has been retained to administer the program. The funds may be used to pay mortgage arrears subject to the Program cap (please see the chart below under **ASSISTANCE AMOUNT/PROGRAM CAP**). The funds are provided through the Town Community Development Block Grant COVID-19 Program made available from the U.S. Department of Housing and Urban Development (“HUD”). **All awards are subject to the availability of funds. A request for assistance does not guaranty payment of the amount requested and the right to amend or adjust the request for assistance based upon available funding is expressly reserved. There are limited funds available.** Therefore, the program will be **first-come first-served until the funds are exhausted.**

**APPLICATIONS MAY ONLY BE SUBMITTED ONLINE BEGINNING AT 9:00 AM ON FEBRUARY 27, 2024. THE SUBMISSION PERIOD WILL BE OPEN UNTIL FURTHER NOTICE.
PLEASE CONSULT LIHP’S WEBSITE FOR UPDATED INFORMATION.**

IF YOU HAVE ANY QUESTIONS REGARDING THE PROGRAM OR NEED ASSISTANCE, INCLUDING LANGUAGE ASSISTANCE, PLEASE CONTACT LIHP AT (631) 435-4710.

DISCLAIMERS:

The submission of an Application or other documents for this program does not constitute acceptance, approval of minimum qualification criteria, or a guarantee of a program award. All information and documentation must be subsequently submitted and reviewed for eligibility. **Households who provide misleading or false information or who apply more than once for the program (even under a different family member) will be disqualified.**

The Program Guidelines and criteria are based upon current requirements and guidance issued by HUD as well as Town requirements. Applicants are advised that the Program Guidelines are subject to change, at any time and from time to time, without prior notice, based upon needs, requirements, interpretations, and regulations, as the same may be determined by HUD and/or the Town. LIHP and/or the Town may request additional or different documentation as may be acceptable to the Town/LIHP in their sole discretion.

All awards are subject to the availability of funds. A request for assistance does not guaranty payment of the amount requested and the right to amend or adjust the request for assistance based upon available funding is expressly reserved.

HOME OWNER APPLICANT ELIGIBILITY REQUIREMENTS:

- Applicant must reside in the unit as their primary residence.
- Unit must be located in the Town of Babylon (including Villages within the Town).
- Applicant must have household income at or under 80% of the Area Median Income (“AMI”) for Nassau/Suffolk County as established by HUD and adjusted for household size at the time assistance is received. Please see the chart below under **INCOME REQUIREMENTS** for income limits by household size.
- Applicants must declare, in writing, a loss of income due to COVID-19 that resulted in the inability to pay their mortgage on or after April 1, 2020.
- Applicants must have a valid mortgage and be in good standing on their mortgage payments prior to the loss of income.
- Applicants must be in arrears in their mortgage payments on or after April 1, 2020.
- Applicants must be the owners of record of the unit as evidenced by municipal records.
- Applicants must be a US citizen or Qualified Alien, as defined at 8 USC 1641.
- ALL Program requirements must be complied with and ALL required documentation must be submitted within the timeframes specified (**Please see Schedule A for required documentation**).
- All household members over the age of 18 must agree to participate in the Program and will be required to execute the Formal Program Application that will, among other items, state the arrears for which assistance is needed and confirm that no duplicative benefits have been received to pay the outstanding arrears.
- If approved for award, the applicant will be required to execute the Agreement of Program Award.

UNIT/LENDER ELIGIBILITY REQUIREMENTS:

- Unit must be a single-family unit, town house, condominium, co-operative apartment or manufactured home (if placed on real property owned by the applicant).
- Environmental review is required as per the Town/HUD and will be conducted by the Town.
- The lender must agree to participate in the Program and will be required to execute a Lender Participation Agreement that will, among other items, state the arrears for which assistance is needed and confirm that no duplicative benefits have been received to pay the outstanding arrears.
- If eligible, payments under the program may only be made to the lender or the lender’s duly authorized servicing company.
- If approved for award, the lender will be required to execute the following documents:
 - Agreement of Award
 - W-9 Form

ADDITIONAL REQUIREMENTS:

- Principal and interest may be paid under the Program. If the mortgage payment required under the loan documents includes an amount to be escrowed for payment of taxes, property insurance, etc., then such amounts may also be paid under the Program. However, payment of delinquent property taxes payable directly by the homeowner are ineligible for the Program.
- Payments are subject to the cap. Please see chart below under **ASSISTANCE AMOUNTS/PROGRAM CAP.**
- Payment will be made in a lump sum directly to the lender by LIHP. Payment will only be made to the lender or the lender's duly designated servicing company.
- Final award under the Program is subject to approval of the Town.

LOSS OF INCOME:

Applicants must have suffered a loss of income, due to COVID-19, that impacted the ability to pay the mortgage on or after April 1, 2020. Loss of income can be due to lay-off, furlough, reduction in hours/pay by the employer, having to leave employment due to school closure or child care needs/change, or other circumstances due to COVID-19. Applicants are required to self-certify and attest to the loss of income, the mortgage arrears, and their inability to pay the mortgage due to the loss of income, by submission of a Declaration of Loss of Income as part of the application process. Documentation of the loss of income must be provided such as employer termination or hour reduction notice; evidence of unemployment benefits; evidence of school closure/daycare; medical documents, etc.

INELIGIBLE APPLICANTS:

The following applicants are ineligible to receive assistance under the Program:

- Employees or agents of LIHP, the lender, or the lender's duly designated servicing company.
- Applicants who are related to the lender, the servicing company or any principal of the lender or the servicing company by blood or marriage.
- Employees or agents of the Town.

DUPLICATION OF BENEFITS:

Federal law prohibits any duplication of benefits. A duplication of benefits occurs when a person or entity receives financial assistance from multiple sources for the same purpose and the total assistance is more than the total need. Applicants and lenders will be required to sign a certification regarding duplication of benefits that will seek to ascertain whether any other assistance was received for the same purpose. If additional funds are received and determined to be duplicative, the amount of the award, if eligible, may be reduced and the amount disbursed that is determined to be a duplication of benefits must be repaid. The obligation to pay any duplication of benefits is an on-going obligation. If awarded funds, the beneficiaries may be required to recertify, from time to time as requested by the Town, but in no event later than 12 months from award, as to whether additional funds have been received.

To assess duplication of benefits, and the unmet need, the Town is requiring the following process to be followed:

- 1) *Assess Need*: Total need for arrears assistance will be assessed (the “Total Need”).
- 2) *Determine Assistance*: The amount of assistance that has or will be provided from all sources to pay the need will be reviewed.
- 3) *Calculate Unmet Need*: Determine the amount of assistance already provided compared to the Total Need to determine the Unmet Need.
- 4) *Apply Program Cap*
- 5) *Document Analysis*

ASSISTANCE AMOUNTS/PROGRAM CAP:

Subject to the applicant’s Unmet Need, mortgage arrears accrued on or after April 1, 2020 may be paid through the Program subject to the cap as established by the Town. The aggregate amount of arrears payable under the Program cannot exceed \$50,000 per household. No more than six consecutive monthly payments may be made. The first payment will be inclusive of all eligible accrued arrears subject to the cap.

INCOME REQUIREMENTS:

Household income must be at or under 80% of the Area Median Income for Nassau/Suffolk County as established by HUD and adjusted for household size (AMI) at the time of assistance (income will be projected forward twelve months).

The current 2024 HUD Income Limits are as follows:

Household Size	1	2	3	4	5	6	7	8
80%	\$87,500	\$100,000	\$112,500	\$124,950	\$134,950	\$144,950	\$154,950	\$164,950

***Income** includes all gross household income – earned income/wages, overtime, unemployment, bonuses, pensions, social security, 401K distributions, tips, interest on bank accounts, etc. Income cannot exceed the maximum annual income for your household size. The limits above are based on the 2024 HUD income limits and will be automatically adjusted upon issuance of updated HUD income limits. Income limits are subject to adjustment for rounding and annual reassessment. The foregoing is subject to change as per HUD and the Town without notice. Income eligibility will be calculated utilizing the HUD Part 5 method of income (24 CFR 5.609).

WHERE TO GET AND HOW TO SUBMIT AN APPLICATION:

Applications are available online at LIHP’s website at <https://www.lihp.org/babylonarrears.html>
Only one Application is allowed per household.

APPLICATIONS WILL ONLY BE ACCEPTED BEGINNING 9:00 AM ON FEBRUARY 27, 2024.

ELIGIBILITY REVIEW PROCESS:

Step 1: Submission of Program Application and Documentation

To be considered for formal Program eligibility, the applicant must submit a Formal Program Application, together with **ALL** required documentation set forth below within the timeframe required. The required documentation is as follows:

- 1) Completed Program Application signed by all household members over the age of 18.
- 2) Income documentation as set forth on **Schedule A** for each household member over the age of 18.
- 3) Copy of Qualified Alien Status, if not a U.S. Citizen.
- 4) Copy of the current mortgage statement showing address, account number, lender, and mortgage information.
- 5) Copy of the deed to the premises.
- 6) Copy of a valid driver's license or valid photo ID for each household member over the age of 18.
- 7) Copy of late payment or foreclosure notice.

If required documentation above is not provided, the Applicant will be contacted by LIHP by email regarding the missing documentation. Applicant will then have ten (10) calendar days from the date of the notice from LIHP to submit **ALL** such documentation to LIHP. If **ALL** required documentation is not **received** by LIHP within the timeframe required, then applicant will be deemed ineligible, subject to a right to appeal. Applicant will be notified of ineligible status by email.

The required documentation can **ONLY** be submitted to LIHP via a file-specific link that will be provided by LIHP during this Step.

Step 2: Review of Income Eligibility and Program Eligibility

If **ALL** documentation is received by the required timeframe, then the applicant will be initially reviewed for income and general Program eligibility. If ineligible, LIHP will notify the applicant by email, and the applicant will be deemed ineligible, subject to a right to appeal. If eligible, applicant will proceed to Step 3. During each Step, LIHP may request additional information and/or documentation to verify applicant eligibility. Applicant will be required to comply with any timeframes established by LIHP to provide such information/documentation or applicant will be deemed ineligible, subject to a right to appeal. In such case, Applicant will be notified of ineligible status by email.

Step 3: Required Lender Documentation

If Steps 1 and 2 are completed and applicant is still eligible, LIHP will contact the lender/servicing company by email and provide a copy of the Lender Participation Agreement to be executed and submitted by the lender/servicing company. In addition, the lender/servicer is required to submit to LIHP the following documents:

- W-9 Form
- Notice of Unpaid Mortgage Arrears

The lender/servicing company will then have thirty (30) calendar days from the date of the notice from LIHP to submit such documentation to LIHP. The required lender documentation can ONLY be submitted to LIHP via a file-specific link that will be provided by LIHP during this Step. If required documentation is not **received** by LIHP within the timeframe required, then applicant will be removed from the waitlist and the file closed. Applicant will be notified of removal from the waitlist by email.

NOTE: Failure of the lender/servicing company to participate by submitting the lender documentation within the stated timeframe is NOT appealable.

Step 4: Assessment of Conditional Award

If Steps 1, 2, and 3 are successfully completed, an assessment of unmet need, a duplication of benefits review, and a calculation of a **conditional** award will be made.

NOTE: Any discrepancy in the amount of arrears must be resolved prior to any determination of Conditional Award. See section below entitled **“DISCREPANCIES.”**

Step 5: Conditional Award Documentation

Upon successful completion of Step 4 LIHP will contact the applicant and the lender/servicing company by email advising them of the conditional award amount and providing a copy of a Program Award notice. The Program Award notice must be executed by the applicant and the lender/servicing company and returned to LIHP. In addition, LIHP will request from the lender/servicer ACH Information.

The signed Agreement of Program Award and ACH Information must be returned to and received by LIHP within ten (10) calendar days from the date of the notice from LIHP. If required documentation is not **received** by LIHP within the timeframe required, the applicant will be deemed ineligible, subject to a right to appeal. Applicant and the lender/servicer will be notified of ineligible status by email. The documentation can ONLY be submitted to LIHP via a file-specific link that will be provided by LIHP during this Step.

Step 6: Final Documentation and Award

Upon successful completion of Step 5, the conditional award will convert to a final award subject to prior approval by the Town. LIHP will provide the applicant and the lender/servicing company with an email confirming the award, and payment will be made directly to the lender or its duly authorized servicing company pursuant to the ACH information received for the award amount indicated in the Agreement of Program Award.

DISCREPANCIES:

Applicants are advised that if a discrepancy in the amount of arrears, the identity of the lender or servicing company, or other relevant information exists in documentation provided, LIHP will provide notice of the discrepancy and an Agreement of Program Award to the applicant, the lender/servicing company and the Town, if applicable, by email. Any such discrepancy must be resolved by submitting the written Agreement of Program Award to LIHP signed by the lender/servicing company and all members of the applicant's household over the age of 18. The Agreement of Program Award will be prepared by LIHP and will be in form and substance satisfactory to LIHP and/or the Town. The discrepancy must be resolved and the fully executed Agreement of Program Award **received** by LIHP within ten (10) calendar days of the date of the notice from LIHP of the discrepancy. If not **received** by LIHP within the required timeframe, the applicant will be removed from the waitlist and the file closed. LIHP will notify the applicant and lender of such removal from the waitlist by email (or by mail if no email is available). If there is no discrepancy in the amount of arrears then the amount of the Agreement of Program award will be based on the documentation submitted.

APPEALS:

Applicants who are deemed ineligible or who have been removed from the waitlist may appeal the determination by submitting a request to LIHP. The appeal request must be in writing and must be **received** (together with all documentation) by LIHP within five (5) calendar days of the date of LIHP's notice to applicant of the determination of ineligibility. The appeal must state the basis of the appeal and contain documentation to support the appeal. Please note that, if the applicant was removed from the waitlist due to failure to submit ALL required documentation within the required time frame, then, no appeal will be granted unless the applicant submits the remaining required documentation with the appeal letter/request within the timeframe required. The appeal will be promptly reviewed and the applicant advised of the final determination by email.

Notice to LIHP of an appeal request can ONLY be submitted via a file-specific link that will be provided by LIHP during this Step.

NOTE: Ineligibility due to non-compliance with Step 3 is NOT appealable. The determinations are final and non-appealable.

VIOLATION OF FEDERAL LAW:

THE INFORMATION PROVIDED BY HOUSEHOLDS MUST BE TRUE AND CORRECT. THE INFORMATION PROVIDED IS SUBJECT TO VERIFICATION BY THE TOWN AND/OR HUD. BY SUBMITTING AN APPLICATION AND SUPPORTING DOCUMENTS, THE APPLICANT ACKNOWLEDGES AND UNDERSTANDS THAT TITLE 18 OF THE UNITED STATES CODE SECTION 1001: (1) MAKES IT A VIOLATION OF FEDERAL LAW FOR A PERSON TO KNOWINGLY AND WILLFULLY (A) FALSIFY, CONCEAL, OR COVER-UP A MATERIAL FACT; (B) MAKE ANY MATERIALLY FALSE, FICTITIOUS, OR FRAUDULENT STATEMENT OR REPRESENTATION; OR (C) MAKE OR USE ANY FALSE WRITING OR DOCUMENT KNOWING IT CONTAINS A MATERIALLY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR REPRESENTATION, TO ANY BRANCH OF THE UNITED STATES GOVERNMENT; AND (2) REQUIRES A FINE, IMPRISONMENT FOR NOT MORE THAN FIVE (5) YEARS, OR BOTH, WHICH MAY BE RULED A FELONY, FOR ANY VIOLATION OF SUCH SECTION.

FAIR HOUSING AND NON-DISCRIMINATION:

LIHP is committed to furthering and promoting fair housing, equal opportunity, and non-discrimination in compliance with all federal, state and local laws, including, but not limited to, the Fair Housing Act, as amended by the Housing for Older Americans Act, the Americans with Disabilities Act, the Civil Rights Act, and the New York State Human Rights Law. LIHP will have staff available to assist with the Application, and answer questions about eligibility requirements. In furtherance of this policy, LIHP will not discriminate on the basis of race, creed, color, national or ethnic origin, sex, sexual orientation, gender identity, familial status, source of income, religion, disability, veterans' status, age, or any other basis prohibited by law.

LIMITED ENGLISH PROFICIENCY AND ACCOMMODATIONS:

Applications and Program Guidelines will be made available in other languages as requested. LIHP will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) and persons, who need assistance or who have a limited ability to speak, read, or write English, will have meaningful access and an equal opportunity to participate in the Program. Interpreters, translators and other aids needed to comply with this policy shall be provided as reasonably necessary.

SCHEDULE A

REQUIRED DOCUMENTATION TO BE SUBMITTED WITH FORMAL PROGRAM APPLICATION

INCOME DOCUMENTATION:

NOTE: These documents will not be returned. DO NOT SUBMIT ORIGINALS

General:

- Tax returns, W-2 and/or 1099 Forms for the two (2) most recent years
- If employed, four (4) consecutive pay stubs for the period immediately prior to Application submission that indicates year-to-date gross income
- Two (2) most recent consecutive bank statements for any and all bank accounts and investment accounts for the period immediately prior to Application submission
- Documentation of social security, public benefits, child support, pensions, disability, retirement funds, income from rental property and documentation from any other income source
- Full-time student verification for each household member age 18 and older that has income
- Documentation of unemployment benefits applied for and/or received
- Self-employed applicants must provide a notarized letter from a CPA or attorney indicating the amount expected to be received for the next twelve months or a notarized year-to-date profit and loss statement

FORMAL PROGRAM APPLICATION:

- Fully completed Formal Program Application signed by ALL household members over the age of 18.

LOSS OF INCOME DOCUMENTATION DUE TO COVID-19:

- Executed Declaration of Loss of Income.

ADDITIONAL DOCUMENTATION:

- Copy of Qualified Alien status, if not a U.S. Citizen.
- Copy of current mortgage statement, showing address, account number, lender and mortgage information
- Copy of late notice or foreclosure notice
- Deed for the premises
- A copy of a valid driver's license or valid photo ID for the Applicant.
- Such other documentation as may be determined necessary or desirable by LIHP, the Town and/or HUD.