

## Virginia Mortgage Relief Program

### Consolidated Term Sheet

This Term Sheet contains the criteria and terms<sup>1</sup> for each of the three Virginia Housing Development Authority (Virginia Housing) program options under its Homeowner Assistance Fund (HAF) program, known as the Virginia Mortgage Relief Program (VMRP). This program is being supported, in whole or in part, by federal award number HAF-0003 awarded to the State of Virginia by the US Department of the Treasury (Treasury).

Virginia Housing opened a Pilot Program to homeowners with mortgage loans serviced by Virginia Housing in mid-July 2021. Upon approval of Virginia Housing’s VMRP Plan, which was submitted for approval to Treasury in mid-August 2021, the VMRP will become open to all eligible Virginia homeowners (including Virginia Housing loan servicing customers not participating in the Pilot Program). The terms of the Pilot program and at-large program are expected to be the same.

Criteria	Terms
HAF Program Overview	The HAF program was established under Section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities, such as Virginia Housing, for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.
Description of VMRP Programs	<p><b>Program Option #1: Reinstatement program.</b></p> <p>The reinstatement program option is a lump sum grant to bring eligible first and subordinate mortgage(s) expenses current up to the maximum VMRP per household assistance cap.</p>

<sup>1</sup> Eligibility for VMRP assistance can only be determined upon a review of a completed VMRP application and all required supporting documentation. In the event of a conflict, the VMRP Plan and Virginia Housing’s VMRP policies and procedures, both as may be updated from time to time, will control. This Term Sheet is subject to being supplemented or otherwise amended at any time.

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	<p>This option will be provided to homeowners whose housing expense to income ratio (HTI) is documented to be <u>equal to or less than</u> 40%.</p> <p>This option provides funds to eliminate past due mortgage payments and other eligible housing expenses.</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>(1) If the Maximum Per Household VMRP Assistance is not sufficient to fully reinstate, eligible homeowners must demonstrate sufficient other funds to fully reinstate or document an approved loss mitigation plan with their loan servicer regarding such shortfall, satisfactory to Virginia Housing. If the applicant is unable to reinstate the shortfall or come to a loss mitigation agreement with his or her loan servicer regarding such a shortfall, the applicant is ineligible for VMRP Assistance.</li> <li>(2) Applicants in a forbearance plan at the time of their VMRP application may be eligible. However, if applicant has previously received a Partial Claim, Deferment, or some other form of Loss Mitigation assistance, applicant is not typically eligible unless applicant's delinquency is due to a qualified hardship as a result of COVID-19 occurring subsequent to the loss mitigation assistance.</li> </ol> <p><b>Program Option #2: Reinstatement plus monthly housing assistance.</b></p> <p>The reinstatement plus monthly housing assistance program option is a lump sum grant to bring eligible first and subordinate mortgage(s) current (Program Option #1) <u>plus</u> make future monthly payments of eligible housing expenses until the qualified financial hardship has been removed, the homeowner(s) become eligible for other loss mitigation options with the current servicer, or until the maximum per household VMRP assistance has been exhausted, whichever happens first.</p> <p>This option will be provided to homeowners receiving mortgage reinstatement assistance whose HTI is <u>greater than</u> 40%.</p> <p>Requires re-certification of income and hardship every 90 days that the payment is ongoing.</p>

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	<p><b>Program Option #3: Assistance with Eligible Housing Expenses.</b></p> <p>The assistance with eligible housing expenses program option is for homeowners with no mortgage or homeowners with delinquent eligible expenses that are not escrowed with their mortgage servicer. Such homeowners may still be eligible for payment of other delinquent eligible housing expenses under this VMRP program option.</p>
<p>Overview of Eligibility Criteria</p>	<p>The basic VMRP eligibility requirements (as further discussed in this Term Sheet) are as follows:</p> <ul style="list-style-type: none"> <li>(i) Homeowners must be an eligible applicant entity type;</li> <li>(ii) Homeowners must have experienced a qualified financial hardship;</li> <li>(iii) Home must be an eligible property type and be located in Virginia;</li> <li>(iv) Home must be owned and occupied as homeowners' primary residence;</li> <li>(v) Applicant's household income must be below certain maximum income restrictions;</li> <li>(vi) Assistance sought must be for a delinquent eligible housing expense that became due on or after January 21, 2020;</li> <li>(vii) Certain maximum limits cannot be exceeded for: (a) mortgage amount (original outstanding principal balance), or (b) in cases where there is no mortgage, the assessed value of the dwelling and land;</li> <li>(viii) If mortgage payment assistance is sought, the mortgage must be an eligible mortgage type;</li> <li>(ix) Assistance cannot exceed the maximum VMRP per household assistance cap;</li> <li>(x) The VMRP assistance may not duplicate any other federal, state or local housing assistance received by homeowner for the same expenses paid for by VMRP; and</li> <li>(xi) For the VMRP Pilot program, homeowners must have a mortgage loan serviced by Virginia Housing.</li> </ul>
<p>Eligible Applicant Entity Type</p>	<p>Applicant must be a "natural person" (i.e., LLP, LP or LLC do not qualify). A homeowner that has transferred their ownership right into non-incorporated, Living Trusts, may be eligible provided the homeowner occupies the home as the primary residence. Heirs,</p>

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<p>Bankruptcy</p> <p>Citizenship</p>	<p>equitable owners, and successors-in-interest, as that term is defined in Section 1024.31 of Title 12 of the Code of Federal Regulations, may be eligible.</p> <p>Homeowner(s) who have previously filed for bankruptcy but who are no longer in bankruptcy must provide proof of a court ordered “discharge” or “dismissal”. Active Chapter 13 bankruptcies must provide proof of court approval to participate in the program.</p> <p>US Citizenship is not required, but there are documentation requirements related to eligibility of non-citizens.</p>
<p>Qualified Financial Hardship</p>	<p>A qualified financial hardship means a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default or foreclosure occurring on or after January 21, 2020.</p>
<p>Eligible Property Type</p>	<p>Eligible property types are the following dwellings: single-family single unit attached or detached homes, condominium, cooperative, mobile or manufactured homes (both affixed and unaffixed to land) which are habitable structures (not condemned or having suffered material damage).</p> <p>Note that 2-4 unit properties and mixed-use properties are not eligible for VMRP.</p> <p>Property must be located in Virginia.</p>
<p>Primary Residence</p>	<p>The home must be the homeowner’s primary residence. Second homes and vacation homes are not eligible.</p>
<p>Maximum Income Restrictions</p>	<p>Consistent with Treasury guidance, the VMRP is prioritizing the following for eligibility: (1) homeowners with household incomes at or below 100% of the applicable area median income (AMI), or national median income, whichever is greater, and (2) socially disadvantaged individuals, as defined by Treasury, with household incomes equal to or less than 150% of the AMI or 100% of the national median income, whichever is greater.</p> <p>Income limits specific to the HAF program have been published by HUD and can be found at:  <a href="https://www.huduser.gov/portal/datasets/haf-il.html">https://www.huduser.gov/portal/datasets/haf-il.html</a>.</p> <p>Treasury’s definition of socially disadvantaged individual can be found here:  <a href="https://home.treasury.gov/system/files/136/HAF-Guidance.pdf">https://home.treasury.gov/system/files/136/HAF-Guidance.pdf</a></p>

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Eligible Housing Expenses	<p>Eligible housing expenses must have become due on or after January 21, 2020, and be one of the following:</p> <ul style="list-style-type: none"> <li>• Existing first mortgage lien loan payment PITI, escrow shortages, servicer corporate advances.</li> <li>• Subordinate mortgage lien payment (principal and interest) and/or installment payment of government bond second lien for down payment assistance (such as Virginia Housing second deeds of trust for down payment).</li> <li>• Reasonable legal fees of the servicer or other payee associated with delinquency of eligible expenses.</li> <li>• Attached or unattached manufactured/mobile home loan monthly payment (principal and interest).</li> <li>• Personal property tax on unattached manufactured/mobile homes.</li> <li>• If home loan monthly payment and/or personal property tax are being paid on an unattached manufactured/mobile home, lot rent may also be paid. However, applications for lot rent only are not eligible under HAF but may be under the Virginia Rent Relief Program (RRP).</li> <li>• Homeowner’s association fees, condominium association fees and special assessments, cooperative maintenance fees, or common charges, including for a lien extinguishment.</li> <li>• Homeowner’s hazard and other property insurance, flood, and/or mortgage insurance.</li> <li>• Delinquent real estate property taxes.</li> </ul>
<p>Maximum Eligible Mortgage Amount</p> <p>Maximum Property Value</p>	<p>The following, as applicable, must be met:</p> <p>(a) if mortgage payment assistance is sought, the original outstanding principal balance of the mortgage must have been less than applicable conforming loan limits at the time of loan origination; <u>or</u></p> <p>(b) if no mortgage, the current assessed value of the land and dwelling (as determined by the locality’s assessor’s office) must be less than the current conforming loan limit.</p>
Eligible Mortgage Type	<p>Eligible mortgage type means any credit transaction that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower for an eligible property type.</p>

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	<p>This includes federally backed, conventional, private, and reverse mortgages. It also includes a loan secured by a manufactured or mobile home (both affixed or unaffixed to land), or a contract for deed (also known as a land contract).</p> <p>As stated above, the original outstanding principal balance of the homeowner's first mortgage must have been, at the time of origination, not greater than the Fannie Mae/Freddie Mac conforming loan limit (CLL) in effect at the time of origination. Accordingly, "jumbo" mortgages are not eligible.</p>
VMRP Per Household Assistance Cap	Assistance is limited to a maximum of the lesser of: (a) 20 months of eligible housing expenses, or (b) \$30,000 per household.
Form of VMRP Assistance	<p>Assistance will be structured as a non-recourse grant, recoverable in the event of fraud or overpayment.</p> <p>Applicant must certify in the application that they are not also participating in any other federal, state, or local payment assistance program that is duplicative of VMRP.</p>
Payment Method	<p>Virginia Housing or its agent will disburse VMRP assistance directly to the mortgage lender/servicer, contract for deed holder, county treasurer or local taxing authority, hazard insurance company, and/or homeowners'/condominium association, as appropriate.</p> <p>Payments will not be made directly to homeowners.</p>
Length of VMRP	The VMRP will continue until the earlier of: (i) September 30, 2026, or (ii) when all of the funds allotted to the Commonwealth of Virginia have been exhausted.
Additional Information	The full VMRP Plan, additional program information and FAQs are available at <a href="http://www.VirginiaMortgageRelief.com">www.VirginiaMortgageRelief.com</a> . Interested parties may also contact the VMRP Customer Center on Monday through Friday from 8 AM to 8 PM ET at 833-OUR-VMRP (833-687-8677) or send an e-mail to: <a href="mailto:help@virginiamortgagerelief.com">help@virginiamortgagerelief.com</a> .