



# **Kansas Homeowner Assistance Fund (KHAF) Frequently Asked Questions**

## **General Questions**

### **What is the Homeowner Assistance Fund (HAF)?**

HAF is a federal program authorized under the American Rescue Plan of 2021. It was established to help homeowners mitigate financial hardships associated with the Coronavirus pandemic.

### **What is the Kansas Homeowner Assistance Fund (KHAF)?**

The Kansas Homeowner Assistance Fund (KHAF) is a program developed by Kansas Housing Resources Corporation (KHRC), using HAF funding. It is designed to help Kansas homeowners who may be struggling with mortgage payments, property taxes, homeowner association (HOA) dues, utility bills, and certain other costs associated with homeownership because of the Coronavirus pandemic.

### **What type of assistance does KHAF offer?**

KHAF offers several assistance programs to assist with delinquent and future payments:

Mortgage Reinstatement –past due mortgage payments including principal, interest, escrowed taxes and insurance, and any reasonable fees associated with the delinquency.

Monthly Mortgage Payments – mortgage assistance payments made monthly for up to 6-months.

Property Charges –past-due property taxes, homeowner’s and flood insurance, homeowner association and condominium association fees, cooperative maintenance charges, common charges and any reasonable fees associated with the delinquency.

Utilities/Internet/Broadband – delinquent utility payments, including electricity, gas, home energy, water, wastewater, as well as non-bundled internet and broadband services. Please note that at this time, internet charges bundled with nonqualified expenses such as television and or phone are ineligible for assistance.

### **What is the maximum amount of assistance a household can receive?**

No household shall receive more than \$60,000 in total assistance. Specific types of assistance are capped at the following amounts:

Households can receive a maximum combined total of \$50,000 for mortgage reinstatement and mortgage payment assistance.

Households can receive a maximum combined total of \$10,000 for property charge and utility/internet/broadband assistance.

### **How do I apply for KHAF assistance?**

Applicants can access the online application by visiting <https://kshousingcorp.org>.

### **What is mortgage payment assistance, and how does it work?**

Once an applicant's mortgage is cured (paid in full) with KHAF assistance, there is further assistance available in the form of future mortgage payment assistance. To qualify, you must note in your application that you are unable to sustain future payments to keep the mortgage current and specify how many additional months of monthly assistance you are requesting.

Monthly mortgage assistance is conditionally approved at the same time of approval of your mortgage reinstatement assistance. Your approval notification will specify how many months you were approved for. Additionally, a new case will be created for each month of conditionally approved assistance. These cases can be viewed in your KHAF Portal and will have the status of 'New-Scheduled'.

This assistance type is requested on the application under mortgage information. Applicants must attest to this need and may select the number of months the assistance is requested. If approved, the mortgage payment will be on or rear the 1st of the month.

Mortgage payment assistance is paid each month. However, that assistance cannot be paid until your loan servicer confirms participation in the mortgage payment assistance program. The KHAF program is actively engaging with your loan servicer to secure their participation, and no additional action is required from you.

You may log into the KHAF portal to verify whether your loan servicer has provided us with the information we need to begin paying your monthly mortgage payment assistance. Once your loan servicer has responded, your mortgage payment assistance cases will move to the status of 'Approved-Scheduled'.

For fully approved months of assistance, you will receive a monthly award notification confirming payment for that month. Please note that the KHAF program cannot pay your monthly mortgage assistance without securing participation from your loan servicer and you should continue to make payments on your loan, as you are able, until you receive the monthly award notification.

### **Is a delinquency a program requirement?**

Yes, your mortgage and/or your property charges (past-due property taxes, homeowner's and/or flood insurance, homeowner association and condominium association fees, cooperative maintenance charges, common charges) must be past due or delinquent by 30 days or more to qualify for the KHAF program.

Similarly, for accompanying utility assistance the water, electric, gas, or internet/broadband service must be 30 days or more past due to qualify for the KHAF program.

## **Eligibility Questions**

### **What are the eligibility requirements for an applicant?**

Applicants must:

- Be a natural person(s) or trustee of a non-incorporated living trust (LLCs or other business entities are not eligible),
- Be party to the mortgage and/or hold title to the property,
- Maintain the property as their primary place of residence,
- Reside in the State of Kansas,
- Meet Area Median Income (AMI) requirements, and
- Must have experienced a "Qualified Financial Hardship."
- Have a mortgage or property charge that is 30 days or more past due or delinquent.

### **How do I determine if I have a qualified financial hardship?**

A qualified financial hardship is a material reduction in income or material increase in living expenses, occurring on or after January 21, 2020, that was associated with the Coronavirus pandemic and that has created or increased the risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner.

*\*Mortgage and property charge delinquency occurring after January 21, 2020, is considered a qualified financial hardship.*

### **Are there income requirements for KHAF?**

Yes. Household income must be equal to or less than 150% of the Area Median Income (AMI) for the county where you reside or equal to or less than 100% of the median income for the United States, whichever is greater. Priority is given to applicants whose income is less than or equal to 100% AMI, as well as Socially Disadvantaged Individuals.

### **Who qualifies as a Socially Disadvantaged Individual?**

Socially Disadvantaged Individuals are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances. The impairment must stem from circumstances beyond their control.

### **How do I file an appeal?**

If your application is denied or you have cause to make an appeal, you have 15 days to appeal the decision of the KHAF Review Team from the date of denial. The instructions for appealing your case are listed below:

- Sign into the [KHAF portal](#).
- On the left side of the screen, scroll to the bottom and open “Case”.
- Click on the “Appeal” button.
- Add information regarding why you are appealing that was not previously provided and supports your reasoning.
- This activates the process.

You will be notified within 15 days of the finding of the appeal of your case if it has been granted.

If your application is approved yet you contest the amount approved, you may file an appeal by calling the KHAF Call Center. The representative will note any information you provide and transmit your appeal to the KHAF Appeal Team.

The KHAF Appeal team will review your appeal and notify you of any additional information needed and the appeal outcome via the email and SMS (if opted in).

**I signed up for the KHAF program, but I am having difficulty continuing to the KHAF portal to begin my application.**

If you have registered through the KHAF portal with your name and email and you did not receive a follow-up email to set up your password, check your spam/junk folder to make sure it did not end up there. You should call the call center for assistance should you not receive the KHAF password reset email after a few hours.

**What if I think I may make too much money to qualify?**

You should still apply for assistance. It is better to allow the program team to review your information and make that determination. You may be eligible for assistance, so you should not self-disqualify by not applying.

**I am currently in bankruptcy; can I still apply for KHAF assistance?**

Yes, but depending on the response from your lender during the application process, you may be required to seek permission from either your trustee or the court.

**What if my home is already in foreclosure?**

Homeowners in foreclosure should apply for assistance and make sure to state on their application when prompted that they are currently in foreclosure.

**If I have a mortgage, do I have to wait to get help from my lender before applying for KHAF?**

No. You can apply to KHAF without first contacting your lender for assistance, but the program encourages you to reach out to your lender to understand what options your lender may offer.

### **What happens if my loan servicer does not participate in the KHAF program?**

A condition for program eligibility is that an applicant's loan servicer must participate in the program. To find out if your loan servicer is participating [click on this link](#). If your loan servicer is not listed, you should still apply. The KHAF program will conduct outreach to your loan servicer in an attempt to secure their participation.

### **Why is my application taking so long to process?**

The KHAF program will begin to process your application shortly after you submit your application. Applications must undergo a comprehensive eligibility review and expense validation process – which requires the exchange of information with your loan servicer if you are seeking mortgage reinstatement assistance. Following submission, an application typically takes an upwards of 60 days to fully process, but may be longer dependent on the responsiveness of external stakeholders in validating expenses

If any of the documentation and information you submitted is missing or insufficient, the KHAF program team will contact you to remedy the deficiency.

### **If I receive assistance, will the assistance need to be paid back?**

Financial assistance for more than \$25,000 will be structured as a two-year non-interest bearing, non-amortizing forgivable loan. The loan may be repayable if the homeowner sells, refinances, or transfers ownership of the home within two years of receiving the KHAF grant. If no resale, transfer, or refinance occurs within two years and the homeowner remains in the home, the loan will be considered fully satisfied.

### **My mortgage delinquency exceeds \$50,000 in total. Am I qualified to participate in the KHAF program?**

Households can receive a maximum combined total of \$50,000 for mortgage reinstatement (curing mortgage delinquency) and mortgage payment assistance (monthly mortgage assistance). Or \$50,000 for mortgage reinstatement assistance only. If your mortgage delinquency exceeds \$50,000 then your mortgage does not qualify for the KHAF program until you bring the delinquency under that amount.

### **What happens if the maximum allowable payment does not cure the mortgage arrearage?**

If the Maximum Allowable Assistance cannot cure the mortgage delinquency, the application will be deferred, and the applicant referred to housing counseling.

### **How will I know when my payment has been made to the servicer?**

You can log into the portal at any time to view your case file. When payment has been made, it will be noted as paid, and an approval notification will be issued via email to both you and your loan servicer.

## **How long does it take for a check to be processed once a KHAF payment is made to a servicer?**

Generally, for utilities and other property charges (taxes, insurance, homeowner or condo association fees), from the date a check is mailed it takes 7-14 days for the check to be processed.

For mortgage loan servicers, it may take longer for the payment credit to be posted to the account after the check has been cashed.

## **Will the amount I request be the amount paid to a vendor?**

If you are approved for the KHAF program the amount may vary depending on several factors. For mortgage assistance, the time between the submission of the application and documents and the time of payment, the mortgage may incur additional expenses like interest, etc. If this is true, then the loan servicer will include these in the payment to align the amount current and bring the mortgage delinquency paid in full (cured).

For utility assistance, the program only pays for qualified expenses that are 30 days past due which may or may not be the amount requested.

## **What happens to my application if I do not respond to information request within 15 days.**

The KHAF program is a first come, first served program. During the timeframe that an application is in process the applicant will be contacted by KHAF staff when any issues arise with the application. If documents are missing, you will be given reminders through email, text and phone calls to assist in communicating what is still needed if your application is incomplete. During the process if you need additional time, please inform the KHAF staff regarding your progress.

If you do not communicate with staff, after 15 days and a minimum of three outreach attempts, the KHAF team deny your application. You may appeal this determination by filing an appeal within 15 days of the denial notification.

## **Is there a KHAF program deadline?**

No, there is no deadline. The program ends when the funding runs out. The KHAF program is distributing the funds on a first-come, first-served basis to those that qualify under the established program guidelines. Once all funds have been expended then the program will close. To monitor program progress [click this link](#).

## **Property Questions**

### **What types of mortgages are eligible for assistance?**

The following types of mortgages are eligible for KHAF assistance:

- First mortgages
- Second mortgages
- Reverse mortgages

- Land contracts/contracts for deed

**Are second homes or investment properties eligible for assistance?**

No. This program is only for the applicant's primary residence. Second homes, investment properties, and vacant properties are not eligible for assistance.

**What types of properties are eligible for KHAF Assistance?**

The following property types are eligible for assistance:

- Single-Family homes,
- One-to-four-unit dwellings (when the owner occupies one of the units)
- Manufactured or mobile homes (affixed or unaffixed)

**Will KHAF help with manufactured home or mobile home loans?**

Yes, KHAF will help pay past-due manufactured and mobile home loan payments. The property is not required to be affixed to receive assistance.

**Is my lot rent for my mobile or manufactured home covered under the KHAF program?**

No. Lot rent is not eligible under KHAF.

**Is KHAF assistance considered taxable income?**

Internal Revenue Service Procedure 2021-47 states that HAF payments are not considered gross income for federal tax purposes but instead qualify as disaster relief payments. Consequently, homeowners will not have to pay taxes on qualified assistance received through KHAF.