

Delaware Mortgage Relief Program
HOMEOWNER ASSISTANCE FUND
COLLABORATION AGREEMENT



COLLABORATION AGREEMENT made this _____, 20____ ("Agreement Date") between _____ ("Servicer") and the Delaware State Housing Authority, ("Program Administrator") the program administrator for the Homeowner Assistance Fund for the State of Delaware ("State").

BACKGROUND

1. Pursuant to Section 3206 of the American Rescue Plan Act of 2021, Congress established in the Department of the Treasury ("UST") 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 HAF Plan, which includes the Delaware Mortgage Relief Program (the "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.
5. Program Administrator has contracted with a third-party application and program processing platform provider for the Delaware Mortgage Relief Program (the "Program Platform" and "Program Platform Provider") and the Program Platform Provider operates the Program Platform at the direction of the Program Administrator. The Program Platform contains *inter alia*, communication, application processing, information gathering, and payment processing procedures for the furtherance of the Program. Program Administrator has made Servicer aware of the Program Platform, the Program

Platform Provider and trainings, processes, and procedures provided for the administration of the Program through the Program Platform. Servicer has or will participate in Program Platform trainings (the "Platform Trainings") as necessary.

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. Communications related to a particular borrower's application for assistance from the Program will be conducted and coordinated as specified in the Platform Training through the Program Platform.
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. 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.

7. All communication that includes borrower's "Nonpublic Personal Information" between Program Administrator and Servicer will be through the Program Platform consistent with the procedures as identified in the Platform Trainings, or where not possible through the Program Platform 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 (d) 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 standard. 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.

8. 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.

9. 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 Borrower Consent Form.

10. The Program Administrator will authorize the dollar amount and application of HAF funds for each borrower. The Maximum Per Household assistance that can be provided is pursuant to term sheet in the form attached to this Agreement as Exhibit B which may be revised in the future.

11. 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 and Servicer agrees to cooperate with Program Administrator, Program Platform Provider to provide reports and information as may be required or necessary by UST on receipt of HAF funds.

12. Program Administrator is responsible for determining 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.
13. 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.
14. Where applicable, consistent with the processes of the Program and Program Platform as relevant, the 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.
15. Should Servicer receive more funds than needed from Program Administrator on the account of any particular borrower, Servicer will utilize the Program Platform to remit the surplus funds back to Program Platform Provider account for Program Administrator within thirty (30) days of receiving the funds. If the surplus funds are equal to or less than \$100, Servicer does not need to remit the funds but instead, will apply those funds to reduce that borrower's outstanding loan principal.
16. 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.
17. Initially, the Servicer Point of Contact is:
Name: _____
Phone: _____
Email: _____
18. Initially, the Program Administrator Point of Contact is:
Name: Ujesh Patel
Phone: 302-577-5001
Email: Ujesh@destatehousing.com
- With cc to:
Name: Reginald Givens
Phone: +1 623-363-4799
Email: RGivens@wittobriens.com
19. 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.

20. Servicer understands that the Program Platform is an integral administrative component of the operation of the Program, and that Program Platform and the Program Platform Provider are subject to change at the exclusive discretion of the Program Administrator, Servicer has or will participate in Platform Training as a requirement of participating in the Program, and agrees to engage with Program Administrator and the Program pursuant to the policies and procedures as may be identified in the Platform Trainings, by the Platform Provider, Program Administrator, through the Program Platform, or otherwise and agrees to participate in ongoing Platform Trainings as may be necessary or beneficial to support Servicer's participation in the Program.

21. Upon notification that a borrower has been conditionally approved for HAF, the Servicer shall not initiate the foreclosure process or, if the borrower is already in the foreclosure process, conduct a foreclosure sale for 45 days, with any extensions by mutual consent of the Eligible Entity and the Servicer.

[Signature Page Follows]

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As of the date first written above, the Program Administrator and Servicer do execute this Collaboration Agreement:

Delaware State Housing Authority
The PROGRAM ADMINISTRATOR

By: Brian Rossello

Name: Brian K. Rossello

Title: Director of Housing Finance

The SERVICER

By: _____

Name: _____

Title: _____

EXHIBIT A

Third Party Authorization

DELAWARE MORTGAGE RELIEF PROGRAM

Third-Party Authorization

I authorize the Servicer and any Third Party to obtain, share, release, discuss, and otherwise provide to the Delaware State Housing Authority (“DSHA”) and/or authorized Delaware Mortgage Relief Program (“DE-MRP”) partners with my public and non-public personal information contained in or related to my mortgage loans, insurance policies and associated premiums, and/or tax and homeowner payment obligations and provide reciprocal authorization for DSHA, DE-MRP partners, and authorized representatives to obtain, share, release, discuss, and otherwise provide my information in return. 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, DE-MRP partners, or DSHA 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, DSHA, DE-MRP partners, 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. I release all claims, actions, or liability that may arise in any form from the Servicer, DSHA, and DE-MRP partners providing Third Party or each other such information.

“DSHA” and “DE-MRP partners” individually and collectively include the Delaware State Housing Authority, and its employees, contractors, subcontractors, agents, successor, and assigns.

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

“Servicer” means the mortgage lender/servicer identified below (Servicer and its successors and assigns (individually and collectively).

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

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 Borrower’s lender/mortgage servicer.
- The Borrower 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.

AUTHORIZED THIRD PARTIES:

- 1) **Delaware State Housing Authority its employees, contractors, subcontractors, agents, successor, and assigns**
- 2) **Housing Counselor, Community Development Corporation, or Other Authorized Third Party**

The name of any other authorized third party (such as a Housing Counselor, Community Development Corporation, Taxing Authority, HOA or condo association, or Insurance Company) is included in my online application for the Delaware Homeowner Assistance Fund.

This Third-Party Authorization is not revocable except as otherwise required by applicable law.

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

[signature page to follow]

WARNING: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

By submitting this Application for the Delaware State Housing Authority (DSHA) Delaware State Housing Authority (DSHA) program, I hereby:

- Confirm that I have not knowingly received any funds, from another source, for the same assistance I have requested in this application and certify that should I receive duplicate funding, I will notify the DSHA program and may be required to repay all or some of the assistance funds received.
- Attest that all personal, property and financial documents that have been submitted for this application and during the application process are truthful to the best of my knowledge. The documents referenced are what the government requires to meet the requirements for the grant. Said documents will be kept by DSHA for six (6) years after the grant has been paid or returned to DSHA. DSHA, the Treasury Office of Inspector General, and the Government Accountability Office, or their authorized representatives, shall have the right to access the records in order to conduct audits or other investigations. I understand that DSHA records may be viewed but are not public records.
- Understand and attest that if I qualified for this program by residing within a qualified census tract (QCT) and/or by providing evidence that I qualify under another eligible program such as Head Start, SNAP, LIHEAP, TANF, VA benefits, or SSI, that my household income does not exceed the greater of 150% of the applicable area median income (AMI) or 100% of U.S. Median Income.
- Understand that if determined to be ineligible, I can appeal the decision by following the appeal instructions at <https://decovidhousinghelp.com/>.
- Declare that the information furnished with this application is true, complete, and correct to the best of my knowledge and belief. I understand that any false statements made in connection with this application may be a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages, and penalties, and/or any other remedy available by law.

By signing this application, I understand that knowingly supplying false, incomplete or inaccurate information is punishable under Federal or State laws and may result in prosecution and repayment of assistance.

I have read the above and understand my responsibilities. I certify that the information I provide is accurate and complete to the best of my knowledge, including income and financial hardship. By completing and submitting this application, I acknowledge that my typed name constitutes a signature under 6 Del C. Sec. 12A-107 and shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law.

Applicant (Homeowner) Name «firstname» «lastname»

Applicant (Homeowner) Signature

Date

«signature»

«signdate»

EXHIBIT B

Program Overview

HAF Program Design Overview

The Delaware State Housing Authority (“DSHA”) will create programs focusing on financial assistance to qualified homeowners who are at risk of displacement due to arrearage of housing-related obligations such as mortgage payments and property charges. This assistance will take two forms – the Emergency Displacement Diversion Grant and the Fresh Start Grant. Collectively, in Delaware, these programs will be branded as the Delaware Mortgage Relief Program (DE-MRP). Applicants meeting the stated terms for each track are eligible to apply for assistance through both tracks for a maximum assistance of \$40,000.

DE-MRP – Emergency Displacement Diversion Grant

<u>Criteria</u>	<u>Terms</u>
<u>Program Description</u>	<p>Designed to avoid imminent displacement due to property charges including, but not limited to:</p> <ul style="list-style-type: none"> • Tax delinquency, chattel loan, or land lease delinquency; • Water and sewer delinquencies; • Homeowner’s association fee/condominium association fee delinquency; and/or • Homeowner’s Insurance delinquency. <p>NOTE: Taxes and insurance delinquencies covered by mortgage payments (escrow) will be paid through the Fresh Start Mortgage Grant track.</p>
<u>Maximum amount of assistance per homeowner</u>	Each Homeowner will be eligible for up to \$10,000 to be used only for the homeowner’s primary residence.
<u>Eligibility criteria and documentation requirements</u>	<p>Homeowner must meet the following requirements</p> <ul style="list-style-type: none"> • Eligible financial hardship after January 21, 2020; • 150% of AMI; • Delaware homeowners; and • Homeowners residing in their primary residence.
<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least thirty (30) days, including any payments during a forbearance period or, for outstanding property charges.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant. Payments will be made directly to the appropriate entity (municipality, insurance company, etc.).

DE-MRP – Fresh Start Mortgage Grant

<u>Criteria</u>	<u>Terms</u>
<u>Program Description</u>	<p>Designed to offer a one-time payment on behalf of a qualified homeowner to pay delinquent mortgage arrears <u>and/or</u> to facilitate mortgage modification (such as a principal curtailment or rate reduction) to right-size future mortgage payments to levels affordable to the homeowner.</p> <p>The following parameters will be utilized to determine the assistance provided:</p> <ul style="list-style-type: none"> • Applicants with a 31% DTI or less will be a straight reinstatement. • Applicants between 31.01% - 45% DTI can opt into a modification agreement, otherwise straight reinstatement will be pursued. • Applicants in excess of 45% DTI will be required to pursue a modification agreement. <p>Applicant in excess of 80% DTI or with no income will be referred to a HUD approved Housing Counseling Agency to determine the best course of action to assist the applicant.</p>
<u>Maximum amount of assistance per homeowner</u>	Each Homeowner will be eligible for up to \$30,000 to be used only for the homeowner's primary residence.
<u>Eligibility criteria and documentation requirements</u>	<p>Homeowner must meet the following requirements</p> <ul style="list-style-type: none"> • Eligible financial hardship after January 21, 2020; • 150% of area median income; • Delaware homeowners; and • Homeowners residing in their primary residence.
<u>Loan eligibility criteria specific to the program</u>	Delinquent by at least thirty (30) days, including any payments during a forbearance period.
<u>Form of assistance</u>	Assistance will be structured as a non-recourse grant. Payments may be made directly to the lender or servicer (as appropriate).