Proposed Changes to the Florida Hardest Hit Fund Program
Executive Summary – Side-by-Side Comparison

There are currently two programs under Florida's Hardest Hit Fund. The Unemployment Mortgage Assistance Program (UMAP) currently makes up to six months (or $12,000) of mortgage payments on behalf of homeowners who are unemployed or underemployed through no fault of their own. The Mortgage Loan Reinstatement Program (MLRP) will pay for arrearages for qualified homeowners up to $6,000.

As of April 1, 2012, there are 1,904 homeowners who have completed UMAP. Of those, only 208 regained employment at a level that made their mortgage payment affordable to them again. Another 21 homeowners have qualified for a modification of their mortgage. These 229 homeowners account for only a 12% success rate for the UMAP program. Based on this data,the six-month duration of this program is not sufficient time for homeowners to achieve a successful outcome. Other HHF states offer from 9 (California) to 36 (New Jersey) months of assistance.

In order to make Florida's programs more effective, we propose the following changes to the Hardest Hit Fund:

Current	Proposed
Up to 6 months assistance and a maximum of $12,000 for qualified homeowners.	Up to 12 months assistance and a maximum of $24,000 for qualified homeowners.
Up to $6,000 in assistance to bring past due balance on mortgage current. Only provided for those who have become fully re-employed.	Up to $18,000 in assistance to bring past due balance current. Provided to all qualified applicants at the beginning of the program.
Homeowners who do not need monthly payment assistance through UMAP (MLRP-only applicants) are currently limited to the same $6,000 in assistance as homeowners who use both UMAP and MLRP.	Increase MLRP-only assistance to a maximum of $25,000.

Other proposed changes to the Hardest Hit Fund include:

Current	Proposed
Condominium units are only eligible if the association is on the FHA or Fannie Mae approved lists.	Eliminate this requirement and substitute a limited, internal review of the condominium association, if necessary.
Existing first mortgages must have been originated prior to January 1, 2009.	Eliminate this requirement as new modification products are being introduced into the market that do not impose this restriction.
Applicant cannot be more than 180 days past due on their mortgage at the time of application.	Eliminate this requirement as servicers do their own review of the status of the borrower to determine if the homeowner is too far past due for the servicer to accept HHF payments.
The combined loan to value ratio cannot exceed 200%.	Eliminate this provision and allow underwater borrower to be eligible.
There is no threshold reduction in income to constitute a hardship as long as the mortgage payment exceeds 31% of the homeowners' income.	Require that there be at least a 10% reduction in income in order to constitute a hardship.