

New York State Mortgage Assistance Program (NYS-MAP)

Network Partner Webinar
Spring 2017

General Updates



- As of today, NYS-MAP has committed close to **\$2.8mm** across all regions of the state.
- Software updates are on the way! Updates will include: full online application, greater clarification of required documents, process transparency via **automatic status updates**.
- New direct phone number (**1-855-NYSMAP-3**) and email address (**NYS-MAP@cnycn.org**) for feedback, general program questions, case-specific questions, etc.
- Flyer and other program materials are in development.

Changes to NYS-MAP



- New Software and Consumer Portal
- New Contact information: 1-855-NYSMAP-3 and NYS-MAP@cnycn.org
- Advertising
- Direct Homeowner Application
- Faster Loan Closings
- Many exceptions from last program have been incorporated into standard policy:
 - Applicants with additional property can apply (provide PITIA expenses)
 - Workouts involving ARMS do not require exception request (provide Note)
 - Front end DTI between 40.1%-45% can apply with a \$300 monthly budget surplus
 - Direct and proactive interaction with our Escalations department for more efficient workout letter assistance

Program Materials for Events and Outreach



- Mortgage product advertising has many industry regulations.
- Please **DO NOT** create your own advertising materials!
- Only use the approved and provided flyers and materials for homeowner outreach events.
- Email NYS-MAP@cnycn.org to request NYS-MAP materials or a NYS-MAP representative for an outreach event. We try our best to accommodate outreach requests.
- Report any flyers you may see that are not from the Center by emailing a copy of the flyer and where you found it to our email box: NYS-MAP@cnycn.org. These may be a scam!

Contact Us



For general NYS-MAP questions, case specific questions, technical assistance or training-related questions, email: NYS-MAP@cnycn.org or call: 1-855-NYSMAP-3

To request flyers and program materials, email: NYS-MAP@cnycn.org

To request training webinars, site visits and outreach for events, email: NYS-MAP@cnycn.org

Application process overview

Counseling (not required)

Online Application &
Document Submission

Processing/ Underwriting

Final Approval & Loan Closing

Counseling (not required)

- Advocate screens client for other workouts without use of NYS-MAP funds
- Advocate assesses applicant(s) for basic NYS-MAP eligibility using NYS-MAP Eligibility Worksheet
- Advocates complete budget counseling with applicants and/or make necessary referrals
- No determined deadline/timeline

Online Application & Document Submission

STEP 1: Online Account Creation

- Applicant/Advocate visits website, submits a new application. Basic info collected

STEP 2: Full Application

- Applicants/ Advocates complete the NYS-MAP application

STEP 3: Document Submission

- Applicants must submit full list of required documents (using Required Document Checklist)
- No determined timeline/deadline

Processing/Underwriting

- Application is sent to Loan Application Processors to be reviewed for completeness (homeowners/ advocates have 2 **weeks** to submit any missing documents)
- Complete packages are sent to Underwriters to determine program eligibility, verify income, decision recommendation
- Underwriter decision and calculations are reviewed by Quality Control/ Program Manager for compliance. Notice of Approval issued.

Final Approval/Loan Closing

- All conditions to closing must be resolved within **30 days** of approval (*i.e. workout letters detailing total amount, deadline, and where to send funds*)
- Once all closing conditions are met, closing documents are emailed to the applicant/advocate and later returned signed and notarized to our office via FedEx.
- Payments are made directly to servicer or owner of the debt

How to submit an application



Link to the Consumer Portal:

<https://app.nysmap.org/consumerportal>

See training guide/ consumer portal walkthrough for reference

Program Overview



- The New York State Mortgage Assistance Program (NYS-MAP) provides mortgage loans to eligible homeowners at risk of foreclosure in order to help them keep their homes
- NYS-MAP is funded through a settlement with Goldman Sachs and the New York Attorney General Eric Schneiderman (among other states AG's)
- NYS-MAP aims to assist roughly three thousand New York State homeowners avert foreclosure

Loan Structure



- NYS-MAP is a **mortgage loan**. Homeowners receiving NYS-MAP funds will sign a note and mortgage, with a **lien** held against their property.
- NYS-MAP funds are paid directly to the servicer or owner of the debt.
- The **maximum loan amount is \$40,000**. There is no minimum.
- NYS-MAP loans are at **0% interest** and require no monthly payments.
- NYS-MAP loans become due when the home is sold, refinanced with cash-out, no longer owner-occupied, or, if none of these conditions are met, 30 years from the date of closing or after the primary mortgage matures, whichever is longer.
- Funds are due in one **lump sum**. There is no early repayment penalty.

Eligible Uses



- NYS-MAP is a program of last resort. NYS-MAP intervention must be necessary in order to avoid foreclosure.
- NYS-MAP funds can be applied to more than one of the following eligible uses:
 - Reinstatement of affordable mortgage
 - Pay off a senior or junior mortgage
 - Make down payment on affordable mortgage loan modification
 - Pay off arrears from homeowners/condo association dues, or co-op maintenance fees
 - Pay off property tax arrears
 - Pay off other secured debt that threatens or results in foreclosure filing
 - Pay off other secured debt impeding a mortgage modification by refusing to subordinate
 - Pay off water lien threatening foreclosure

Program Eligibility



- Applicant(s) **must**:
 - Own a 1-4 family house, condo, co-op, or manufactured home (if considered **real property** or part of a cooperative) in New York State
 - Live in the property as their **primary residence** (*applicants temporarily displaced due to natural disaster, fire, flooding, or other similar circumstance may be eligible for NYS-MAP*)
 - Have a household income at or below **120%** of Area Median Income (**AMI**). *AMI is based on county of residence and household size.*
- Applicant(s) **cannot**:
 - Apply for NYS-MAP to assist with a property that is **NOT** their primary residence.
 - Receive NYS-MAP funds more than once (homeowners who received NYC-MAP assistance in the past are also ineligible for NYS-MAP)

Underwriting Guidelines



- NYS-MAP intervention must result in an **affordable** housing cost burden:
 - At or below **40% front-end** debt-to-income (DTI) ratio
 - *Between 40.01% and 45% front-end debt-to-income (DTI) ratio is allowable so long as the applicant carries a **budget surplus** of at least \$300.00*
 - At or below **55% back-end** debt-to-income (DTI) ratio
- Debt, income, expenses, and assets are analyzed for all owners of the property (i.e. all individuals listed on the deed)
- There is **NO** loan-to-value ratio (LTV) cap or requirement
- There are **NO** exceptions to any of the program's policies

Underwriting Guidelines Continued



- All deed holders are considered applicants on the NYS-MAP loan
- If the applicant states that a co-owner does not reside in the property and does not contribute to the household, that co-owner will not be included in the underwriting analysis under the following conditions:
 - A restraining order has been filed by one owner against the other, which will be confirmed by the restraining order.
 - The co-owner is deceased, confirmed with a death certificate.*
 - The co-owner submits a letter saying that they live in a separate property and do not contribute to the applicant's household; in such cases the co-owner's residence must be confirmed by a government-issued ID.**
 - The owners are divorced and the applicant submits a divorce decree.
 - The homeowner is a victim of domestic violence by co-owner

**We cannot move forward if a co-owner is deceased and their estate is unresolved. Unless the deed is Tenants with the Right of Survivorship.*

***The co-owner will still be required to sign our mortgage, but not the note.*

Missing Documents



- Applicant/Advocate have **2 weeks** to submit all missing documents from the date of the missing document status and notification
- The case will be denied after 2 weeks in missing document status and the applicant will be required to submit all new documents to re-open the case
- Applicant/Advocate should **alert the underwriter by phone or email** of any new document uploads. Please upload documents to the consumer portal. There is no fax line for sending documents.
- Please allow up to **10 business days** for any new documents to be reviewed prior to the case being placed into “in processing” status

Appeals Process



- An appeal request should only be made in cases where there is a dispute of the calculations used to issue a program denial
- **For example:** Client was denied for having a front-end DTI of 46%. Using the same documentation submitted to NYS-MAP, you have calculated your client's DTI as 39%.
- An **Appeal Request Form** must be e-mailed to nys-map@cnycn.org using the subject line 'Appeal Request: *[Applicant last name]*.'
- Appeal requests must be submitted no more than **30 days** from the date of program denial

Escalations and Workout Letters



- The advocate/applicant has **30 calendar days** from the Notice of Approval date to obtain and submit a workout letter
- The case may be denied if a workout letter is not received in this timeframe
- Advocates should work on getting workout letters as soon as your case is placed 'Under review' or even earlier
- Our Escalations Team can help obtain workout letters **quickly**. **Applicants/advocates must submit a complete and signed Escalations Program authorization form at the time of application to save time in the closing process.**

Under Review Letters



- If the client is in foreclosure settlement conferences or subject to a pending foreclosure or tax sale, you may require documentation from NYS-MAP to request a stay. NYS-MAP staff can issue an 'Under Review' letter stating eligible NYS-MAP uses, the date the application was submitted and the current status of the application.
- Send a request for Under Review letter to: NYS-MAP@cnycn.org.
Subject line: Under Review letter/ Applicant name
- Letters will be emailed to the requestor and uploaded to the Portal.

Underwriting Tutorial

Calculating DTI Ratios

- **PITIA** = Principal, Interest, Taxes, Insurance, Assoc./Maintenance Dues
- Front-end debt-to-income (DTI) ratio must be **40%*** or below
Front-end DTI ratio = $\frac{\text{Post-MAP PITIA}}{\text{Monthly Gross Income}}$
- Back-end debt-to-income (DTI) ratio must be **55% or below**
Back-end DTI ratio = $\frac{\text{Post-MAP PITIA} + \text{All Other Debt}}{\text{Monthly Gross Income}}$
- **Budget surplus/deficit = Total monthly net income - Total monthly expenses**
- An applicant showing a **deficit** of any size is **ineligible** for NYS-MAP

**Front end DTI of 40.01%-45% is eligible if there is a surplus of at least \$300*

Calculating Back-end DTI

- Back-end debt is calculated using all **active** non-housing debt listed on the **credit report**
- If the credit report shows an **open judgment**, the underwriter will calculate a monthly payment based on an estimated payment plan (9% interest over 3 year payoff term or wage garnishment cap, whichever is lower, unless the homeowner provides a valid current repayment agreement)
- Collections and charged-off debts **are not** included in the back end debt ratio.

Income Analysis



- All non-taxable income will be adjusted to 125% (non-taxable: Social Security/SSI/SSD, child support income)
- Rental/boarder income will be adjusted to 75%
- Resident contributors must provide proof of residency and proof of income to support the stated contribution amount

Eligible Sources of Income

- ✓ Employment Income
- ✓ Self-Employment
- ✓ Rental/Boarder
- ✓ Pension/Annuity
- ✓ Child Support/Alimony
- ✓ Social Security/SSI/SSD
- ✓ Contributions from household members
- ✓ Contributions from non-household members

Income Requiring Proof of Deposit

- ✓ Self-Employment (3 Months)
- ✓ Rental/Boarder (2 Months)
- ✓ Child Support (2 Months)
- ✓ Contributions from non-household members (6 Months)

(Be sure to circle and label proof of deposit on bank statements!)

Reviewing Bank Statements



- We require 2 months of recent bank statements for all open bank accounts (expire after **90 days**)
- Look for transfers to other undisclosed accounts, large deposits/withdrawals, or other undisclosed sources of income
- **Label all deposits! Circle and label income requiring proof of deposits** (i.e. rental income requires 2 months POD, non-resident contributor income requires 6 months POD, child support requires 2 months POD, Self-employed income deposits, etc.)