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@cnyncn.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](mailto: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](mailto: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)

- 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
• 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.
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.
Calculating DTI Ratios

- **PITIA** = Principal, Interest, Taxes, Insurance, Assoc./Maintenance Dues

- Front-end debt-to-income (DTI) ratio must be 40%* or below
  \[
  \text{Front-end DTI ratio} = \frac{\text{Post-MAP PITIA}}{\text{Monthly Gross Income}}
  \]

- Back-end debt-to-income (DTI) ratio must be 55% or below
  \[
  \text{Back-end DTI ratio} = \frac{\text{Post-MAP PITIA + All Other Debt}}{\text{Monthly Gross Income}}
  \]

- 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

<table>
<thead>
<tr>
<th>Eligible Sources of Income</th>
<th>Income Requiring Proof of Deposit</th>
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<tbody>
<tr>
<td>✔ Employment Income</td>
<td>✔ Self-Employment (3 Months)</td>
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<tr>
<td>✔ Self-Employment</td>
<td>✔ Rental/Boarder (2 Months)</td>
</tr>
<tr>
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<td>✔ Child Support (2 Months)</td>
</tr>
<tr>
<td>✔ Pension/Annuity</td>
<td>✔ Contributions from non-household members (6 Months)</td>
</tr>
<tr>
<td>✔ Child Support/Alimony</td>
<td>(Be sure to circle and label proof of deposit on bank statements!)</td>
</tr>
<tr>
<td>✔ Social Security/SSI/SSD</td>
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<tr>
<td>✔ Contributions from household members</td>
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<tr>
<td>✔ Contributions from non-household members</td>
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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.)