

Arizona Office of the Attorney General

Mortgage Settlement Assistance Programs



The Funds

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- Arizona received \$97 million (\$50 million swept by the AZ Legislature) in a joint federal-state agreement with the nation's 5 largest mortgage servicers over foreclosure abuses, unacceptable servicing practices and fraud
- \$10 million was received in a separate lawsuit against B of A
- Funds went to direct restitution and to a wide range of other relief for homeowners

Six Programs to Help People

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- **Housing Opportunities for Service-disabled Veterans**
- **Housing Education & Counseling**
- **AZ Mortgage Relief Fund**
- **Legal Services**
- **Home Again Relocation**
- **Job Training & Employment Services**

Housing Opportunities for Service-disabled Veterans

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- Up to \$65,000 loan
- Accessibility and related improvements
 - Meet the design and construction standards of the Federal Fair Housing Act
 - Necessary to complete accessibility improvements, like electrical and plumbing system upgrades.
- Zero interest, zero payment forgivable soft second
 - 7 year term
 - Due on sale, transfer, refinance, or if no longer primary residence

HOSDV Eligibility

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- Arizona resident who is a U.S. Veteran with a service-connected disability
- Property located in Arizona, owned by the eligible Veteran and is primary residence
- Cannot afford both the mortgage and the cost of accessibility improvements
- Existing mortgage with regulated financial institution
- Property is not subject of bankruptcy estate
- No state or federal tax liens

Housing Education & Counseling

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- Two components
 - Education
 - Counseling
- Three programs
 - Foreclosure intervention counseling
 - Pre-purchase and rental education and counseling
 - Financial literacy education and counseling

AZ Mortgage Relief Fund (AZMRF)

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- ❑ Three options for struggling borrowers
 - One-time Recovery
 - Loan Modification
 - Loan Refinancing
- ❑ Zero interest, zero payment, forgivable soft second loans

AZMRF Assistance

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One-time Recovery

- ❑ Up to \$20,500
- ❑ At least 2 (two) payments behind
- ❑ Temporary hardship resolved
- ❑ Taxes, homeowners insurance, and HOA fees are current

Modification

- ❑ Up to \$50,000
- ❑ Can combine with one-time recovery for up to \$70,500

AZMRF Assistance

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Refinance

- Up to \$70,500
- Existing 1st and any 2nd mortgage is unaffordable
 - Greater than 31% DTI
 - No other hardship required
- Current on monthly mortgage payments
 - One 30 day late payment in past 12 months is okay
- Taxes, homeowners insurance, and HOA fees are current
- Junior home equity lines must be closed

AZMRF Eligibility

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- Owner-occupied residences
- Up to 150% AMI
- Counseling required
- Borrowers are legal residents
- No state or federal tax liens
- Lien holders beyond 2nd willing to subordinate
- Mortgage with a regulated financial institution
- No previous AZMRF assistance

Legal Services

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- Household income up to 150% AMI
- For:
 - Unfair lender / servicer treatment
 - Questionable loan terms or conditions
 - Foreclosure fraud or scam
 - Recovery of excess proceeds - auction price exceeds outstanding mortgage amount
 - Income issues affecting ability to pay mortgage
 - Other mortgage-related legal issues
- Five partners providing statewide coverage including ASU.

Home Again Relocation

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- Up to \$5,000 for relocation expenses including transitional housing
 - Security and utility deposits
 - First & last months' rent
 - Moving expenses
 - Utility arrears
- Household income up to 100% AMI
- Lost home or tenancy due to foreclosure in last 5 years
- Or, facing a rent increase that will be unaffordable
- No previous relocation assistance

Job Training & Employment Services

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Eligibility

- ❑ Reasonably expected to attain permanent full-time employment within 24 months
- ❑ Lost home or tenancy due to foreclosure
- ❑ At risk of foreclosure
- ❑ Post-training income sufficient to maintain mortgage payments

Services

- ❑ Training for in-demand occupations
- ❑ Regularly scheduled peer support meetings
- ❑ Employment and placement services
- ❑ Case management

Homeowners Assisted

- ❑ **Housing Education and Counseling**
 - ❑ 5400 assisted consumers
- ❑ **Legal Services**
 - ❑ 900 Foreclosure related cases and thousands more given foreclosure related advice and material
- ❑ **Consumer Restitution to Foreclosure Scam Victims**
 - ❑ \$8.3 million to 1,296 affected consumers
- ❑ **AZMRF**
 - ❑ 95 loans closed for \$3.3 million dollars

Homeowners Assisted

- ❑ **Job Training**
 - ❑ 50 Enrolled in education or job placement services
- ❑ **Home Again Relocation**
 - ❑ 23 beneficiaries for \$63,000
- ❑ **Housing Opportunities for Service-disabled Veterans**
 - ❑ Just taking off!

Mortgage Complaint Process

- AZ AGO Receives the Complaint from the Consumer:
 - Office Location
 - Copies of documents
 - Via Online Submission www.azag.gov/consumer
 - Fax, mail or email Documents
- Initial Letters to Parties: Highly Dependent on the Facts Presented in the Complaint.
 - Acknowledgment to Complaining Party
 - Demand for Response from Potential Violator
 - Other Letters (e.g. lack of jurisdiction)

Mortgage Complaint Process

- Business response to consumer: Two major paths
 - The business has satisfied the consumers request, or
 - Request for further reply from complaining party
- Complaining Party then has a chance to respond to the business with further evidence
- Bank responds to unresolved concerns to the consumer and AGO
- At any time AGO will give complaining party a referral to partner agencies for additional assistance
- Escalated issues handled by Assistant Attorney General

Need more information?

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- **AZMortgageResource.gov**
- **602-542-1797**
- **855-256-2834 outside Phoenix**