



Save the Dream Ohio

Foreclosure Prevention Effort

888.404.4674 | savethedream.ohio.gov

Fifth Round Program Guidelines

August 22, 2016

CHANGE LOG

DATE	CHANGE
10/12/16	<p>On pages 5 and 9, added <i>“laid off and...”</i> On page 13, added <i>“application and...”</i> On page 16, replaced unemployment with <i>“layoff”</i> On page 17, replaced delinquent with <i>“current or received RPA to bring current”</i></p>
11/7/16	<p>On page 17, replaced HOA with “association” and added <u>“prior to applying for SDO.”</u> On page 5, added “Property Taxes must be current or in a repayment plan with County Treasurer <u>prior to applying for SDO,</u>” and “Condo or Homeowner’s Association fees must be current or in a repayment plan with the association <u>prior to applying for SDO.</u>”</p>
11/29/16	<p>On page 14, deleted, “or determination of benefits,” and “application and award dates” and “payments to date” and added “amount and any deductions; if weekly payments are reduced an explanation is needed. Weekly unemployment income offset by wages will require paystubs for all weeks worked.”</p>
1/12/17	<p>On page 8, removed “Interest Only Loans” from the eligible list and added to the ineligible list</p>
9/1/17	<p>On page 6, added, “workers compensation, Social Security disability (SSDI), VA disability (VA), or short/long term disability through an employer or insurance company” and “Exclusions include maternity, paternity and plans that replace 100% of pre-hardship salary” under Hardship</p> <p>On page 6, replaced “prior to applying for SDO” with “with County Treasurer unless eligible for reinstatement under the RPA Program” and “Repayment plan total balance is eligible for payoff up to the program cap for all combined RPA” under Property Taxes</p> <p>On page 6, added, “these are not eligible for reinstatement or payoff” under Condo or Homeowner’s Association Fees</p> <p>On page 11, added “workers compensation, Social Security disability (SSDI), VA disability (VA), or short/long term disability through an employer or insurance company” and “Exclusions include maternity, paternity and plans that replace 100% of pre-hardship salary” under Hardship Definition</p>

9/1/17

On page 11, added “from the issuing entity such as Ohio Department of Job and Family Services (ODJFS) or agency in the neighboring state where job was based, workers compensation, SSDI, VA, employer, or insurance company” under Hardship Definition

On page 15, added “Social Security Disability, VA Disability, Short/long term disability through an employer or insurance company, or Workers Compensation PLUS Payment Summary or check stubs”

On page 15, deleted “reinstatement letter for unenrolled servicicr”

On page 17, added “and delinquency” under Property Tax Bill

On page 19, added “or property tax” and “and/or taxing authorities”

On page 19, deleted “prior to applying for SDO”

On page 19, replaced 38% with 45%

On page 24, added, “All documentation pertaining to Save the Dream Ohio files must be retained by your office until December 31, 2024”

On Page 18, added phone number and weblinks for reporting fraud

7/2/2018

Removed MPA program from guidelines

Deleted Reverse Mortgages from the Ineligible List

Added “Reverse Mortgages are eligible for reinstatement of property taxes with proof that homeowner’s insurance is paid current” to eligible list

Contents

Eligibility.....5

Income Calculation.....6

Income that Must be Included.....7

Child Support Income7

Excluded Sources of Income7

No Income.....8

Eligible Mortgages.....8

Ineligible Mortgages.....8

Mortgages Originated by Habitat for Humanity or Housing Counseling Agency.....9

Property Type9

Owner Occupancy.....9

Hardship Definition 10

Signatures Required for SDO 11

Power of Attorney and Authorization of Third Parties 11

Signature Matrix 12

Examples of signature situations:..... 13

Documentation Required..... 14

File Review 16

Conflicts of Interest, Confidential Files..... 16

Fraud and Non-Compliance..... 17

Appeals 17

Programs..... 18

Rescue Payment Assistance 18

Counseling Agency Participation 18

Mortgage Servicer Participation 19

Records Retention..... 19

Glossary of Terms..... 20

Eligibility

To receive financial assistance from *Save the Dream Ohio* (SDO), homeowners must meet the following eligibility criteria:

- **Income** – The current gross annual household income must be equal to or less than \$112,375; most recent 30 days (excluding exhausted unemployment benefits) multiplied by 12 months.
- **Mortgage Amount and Type** – The first mortgage debt on the property must be less than \$432,500. See page four (4) for a list of eligible mortgage types.
- **Property Type** – Properties must be one- to four-unit, owner-occupied primary residences located in Ohio. This includes condominium units and manufactured homes that are titled as real estate.
- **Dodd-Frank Crimes** – Homeowners must certify that they have not been convicted within the last 10 years, of any one of the following crimes in relation to a real estate transaction: Felony Larceny; Theft; Fraud; Forgery; Money Laundering; or Tax Evasion
- **Bankruptcy** – No active bankruptcy, must be discharged or dismissed.
- **Hardship** – The homeowner, spouse or other borrower on the mortgage that is living in the subject property must have applied and been determined eligible for unemployment benefits, workers compensation, Social Security disability (SSDI), VA disability (VA), or short/long term disability through an employer or insurance company on or after January 1, 2014, and after the date of their original mortgage origination (before any refinances or modifications) are eligible for SDO. *Exclusions include maternity, paternity and plans that replace 100% of pre-hardship salary.*
- **Prior Participation** – Homeowners are not eligible if they received Hardest Hit Funds (HHF) from Ohio or any other participating state. Properties are not eligible if prior HHF funding was provided to any homeowner at that address unless the home was sold through an arm's length transaction and the new owner meets eligibility.
- **Property Taxes** must be current or in a repayment plan with County Treasurer unless eligible for reinstatement under the RPA program. Repayment plan total balance is eligible for payoff up to the program cap for all combined RPA.
- **Condo or Homeowner's Association fees** must be current or in a repayment plan with the association; these are not eligible for reinstatement or payoff.

IMPORTANT INFORMATION:

SDO is unable to guarantee the postponement of sheriff's sales.

Homeowners may visit www.avoidforeclosureohio.org for information on obtaining a "Stay of Sale" through the court system.

SDO will advise mortgage servicers upon eligibility determination that a homeowner with a sheriff's sale scheduled has applied for assistance.

SDO recommends that homeowners also contact the mortgage servicer and request they postpone the sale.

Income Calculation

Gross household income is calculated based on the average income per pay period of all income sources for all applicants. If unemployment benefits have been exhausted, the last 30 days will not count and zero income will be used for that category.

Examples of calculations are shown below:

- **Weekly** – 4 paystubs:
 $\$500 + \$525 + \$631 + \$720 = \$2,376 / 4 = \$594 \times 52 = \$30,888 / 12 = \$2,574$ monthly income
- **Biweekly** – 2 paystubs:
 $\$600 + \$645 = \$1,245 / 2 = \$622.50 \times 26 = \$16,185 / 12 = \$1,348.75$ monthly income
- **Bimonthly** – 2 paystubs:
 $\$1,200 + \$1,500 = \$2,700 / 2 = 1,350 \times 24 = \$32,400 / 12 = \$2,700$ monthly income
- **Monthly** – 1 paystub or award letter:
\$1,375 gross amount is the monthly income
- **Self-Employed** – Most Recent Quarterly Profit and Loss (P&L) Statement:
Net income + depreciation/depletion on P&L divided by 3
 $\$6,450 + 550 = \$7,000 / 3 = \$2,333.33$ monthly income
- **Rental Income** – Schedule E from most recent tax return:
Rental income on line 26 + depreciation/depletion on line 18 divided by 12
 $\$3,500 + \$1,000 = \$4,500 / 12 = \375 monthly income

Income that Must be Included

Income received by every household member over the age of 18 must be included in the gross monthly total and the most recent 30-days must be documented; sources that must be documented are shown below:

- Wages
- Unearned income (e.g. Social Security, Disability) of minor children
- Self-Employment (does not include homeowners with rental income)
- Social Security Income and Social Security Disability Income
- Supplemental Security Income
- Unemployment Compensation
- Workers Compensation
- Monthly Disability payments from employer or insurance company
- Alimony and separate maintenance
- Government cash assistance and Housing subsidies such as Section 8
- Retirement income (pensions, 401K, IRA) – Considered income only for homeowners who have reached minimum retirement eligibility age only; early withdrawals are excluded.
- Annuity, Royalty and Dividend Income
- Rent From Roommate (does not count as self-employment income)
- Rental Property Income (does not count as self-employment income)
- Annuitized Monthly Payments (lottery winnings, trust payments, severance payments, settlements, life insurance). Lump sum payments are excluded.
- Non-borrower household income

Child Support Income

Child Support income does need not be disclosed at application but may be provided with an appeal to be considered if needed for sustainability.

Excluded Sources of Income

- Income tax refunds
- Loans from retirement accounts prior to minimum retirement eligibility age
- Student loans and grants
- Foster care income
- Lump Sum Payments such as lottery winnings, trust payments, severance payments, Disability back pay, Social Security back pay, insurance or lawsuit settlements, and life insurance payouts

No Income

If there is no income in the household, the applicants must certify this on the application.

Eligible Mortgages

The total first mortgage debt must be less than \$432,500. Hardship must have occurred after the initial purchase mortgage origination date; a home may have been refinanced or modified since the original origination date and still be eligible for assistance. Homeowners that do not have a mortgage on their property are not eligible for SDO assistance.

IMPORTANT INFORMATION:

The eligibility of any mortgage is subject to the lender/servicer/owner approval; if a response is not received within 30 days of notification of eligibility, file will be considered a "Servicer Objection" and declined.

The following types of mortgages are eligible for SDO:

- Fixed rate
- Adjustable rate
- Previously ballooned or will balloon after assistance period
- Mobile Home titled as real estate
- Reverse Mortgages are eligible for reinstatement of property taxes with proof that homeowner's insurance is paid current

Ineligible Mortgages

The following types of mortgages or situations are not eligible for SDO:

- Interest-Only
- Home Equity Lines/Loans
- Land Contracts, Co-Ops, Seller-Financed
- Loan on mobile home with automobile title
- Mortgages that have been charged-off to third party
- Mortgages that will balloon during assistance
- Mortgages in HAMP trial modification periods
- Mortgages in forbearance/repayment plans
- Mortgages in active bankruptcy; must be discharged or dismissed
- Mechanic/Tax and other non-mortgage liens
- Community Land Trust Properties
- Blanket Mortgages that cover more than one property
- **Mortgages delinquent in excess of \$25,000 program cap**

IMPORTANT INFORMATION:

SDO is unable to accept any payments “over the cap”; therefore, mortgages with delinquencies that exceed \$25,000 are not eligible.

Mortgages Originated by Habitat for Humanity or Housing Counseling Agency

These mortgages require additional review due to a potential conflict of interest. A Housing Counseling Agency may not counsel a homeowner on a mortgage that the agency originated. *Habitat for Humanity mortgages* originated before September 27, 2010, are eligible for SDO; after that date, the homeowner’s hardship must have occurred 6 months after origination. Housing counseling agencies should consider providing a copy of these guidelines to homeowners when originating new loans.

Property Type

Property must be an owner-occupied, 1-4 family primary residence titled as real estate and located in Ohio. If the property includes more than one parcel, they must be contiguous. A property classified as a farm on the county auditor’s website is not eligible for SDO unless documentation from the county auditor’s office states it is not a commercial farm and is only classified as a farm due to the size of the property or another appropriate reason.

Owner Occupancy

Applicants must own and occupy the home to be eligible for SDO; ownership is determined by information from the County Auditor; occupancy is determined by a utility bill in the name of applicant showing recent usage. In the case where an individual on the original deed is deceased, a copy of the certified death certificate will be required; if not available, an obituary may be used. Property owned by a trust is eligible for SDO if the borrower is a trustee. The SDO note and mortgage will be in the name of the trust and the borrower must sign all documents as an individual and as trustee.

If a homeowner is forced to exit the property because it was damaged or destroyed, the homeowner is not eligible for assistance as responsibility would fall to the insurer of the property. If a homeowner receives an insurance pay off, they owe back the outstanding amount of SDO funds. If the homeowner is participating in Mortgage Payment Assistance at the time the home is destroyed, assistance will be terminated.

Hardship Definition

The homeowner, spouse or other borrower on the mortgage that is living in the subject property must have applied and been determined eligible for unemployment benefits, workers compensation, Social Security disability (SSDI), VA disability (VA), short/long term disability through an employer or insurance company on or after January 1, 2014, and after the date of their original mortgage origination (before any refinances or modifications) are eligible for SDO.

Exclusions include maternity, paternity and plans that replace 100% of pre-hardship salary.

Homeowners must provide a “Determination of Benefits or Award Letter” from the issuing entity such as Ohio Department of Job and Family Services (ODJFS) or agency in the neighboring state where job was based, workers compensation, SSDI, VA, employer, or insurance company.

Homeowners that applied and were determined eligible for the above benefits but did not actually receive any payments are still eligible for SDO. Homeowners who have returned to work after receiving benefits are eligible.

IMPORTANT INFORMATION:

Social Security regular retirement benefits are not an eligible hardship for SDO.

Situations that are not eligible for SDO include:

- Quitting a job
- Getting fired from a job
- Taking early retirement, voluntary or otherwise
- Being laid off from an employer who did not pay into unemployment
- Receiving a reversal of unemployment benefits award
- Being self-employed and unable to qualify for unemployment benefits
- Working but not earning enough money or weeks to claim unemployment benefits
- Social Security regular retirement benefits
- Maternity and Paternity leave
- Disability plans that replace 100% of pre-hardship salary

Signatures Required for SDO

The SDO application and closing forms require signatures by all homeowner applicants and other related parties. The online application may be signed electronically but **the Third Party Authorization must be hand-signed** and uploaded, emailed, faxed or mailed.

The chart on the following page shows situations and the required signatures.

In the event that homeowners wish other parties to sign for them or receive information on their behalf, we must have appropriate authorization.

Power of Attorney and Authorization of Third Parties

SDO personnel are not permitted to share information with any third party without prior authorization from the homeowner. The homeowner must provide a signed letter or email authorization before any information may be shared.

If a homeowner has granted power of attorney to another individual to execute documents on his or her behalf, the individual named in the power of attorney must sign all SDO documents as himself/herself as the power of attorney.

A copy of the document authorizing the power of attorney must be submitted with supporting documents as part of the SDO application, and the original document authorizing the power of attorney must be brought to closing.

IMPORTANT INFORMATION:

SDO requires homeowners receiving assistance to sign closing documents in front of a notary from our title company partner; this is similar to the closing of a home purchase but with fewer documents.

SDO requires a note that does not accrue interest or have a monthly payment and a mortgage to Ohio Homeowner Assistance (OHA) that is recorded as a junior lien on the property. The note is forgiven at a rate of 20% per year on the anniversary of the closing date over a period of 5 years and then mortgage is released. SDO and OHA are unable to modify the amount of this mortgage after closing and recording.

Signature Matrix

Signature Matrix

	Current Status				Save the Dream Ohio Document(s) Party Must Sign			
	On Mortgage	On Note	On the Deed	Occupying Property	Third Party Authorization on (TPA)	Save the Dream Ohio Application & Hardship Affidavit	Promissory Note	Mortgage
Married Spouse	•	•	•	•	Yes	Yes	Yes	Yes
	•	•	•		Yes	Yes	Yes	Yes
			•	•	Yes	Yes	Yes	Yes
				•	Yes	Yes	No	Dower Release Only
	•	•			Yes	No	Yes	Dower Release Only
	•			•	Yes	Yes	No	Dower Release Only
					No	No	No	Dower Release
Divorced Spouse	•	•	•		Yes	No	No	Yes
	•		•		Yes	No	No	Yes
			•		No	No	No	Yes
	•	•			Yes	No	No	Yes
	•				Yes	No	No	Yes
					No	No	No	No
Non-Borrower whose income is used				•	Yes	Yes	No	No
Other Parties			•		Yes	No	No	Yes
		•			Yes	No	No	No
Inherited Non-Borrower			•	•	Yes	Yes	Yes	Yes
	•		•	•	Yes	Yes	Yes	Yes

Examples of signature situations:

- Parties who are out of the state may sign documents in front of a notary and return them via mail to SDO.
- Parties who are out of the country may have their documents notarized at an American Embassy and return via mail to SDO.
- Homeowners who are incarcerated may qualify for assistance if a power of attorney was in place prior to the incarceration; SDO does not permit the signature of documents at a jail or prison.
- If parties are unreachable or refuse to sign, the file will be declined; this includes estranged spouses and uncooperative persons.
- If the parties have a Restraining Order or Protection Order in place, we will schedule separate closings as a Restraining Order does not remove title or liability.
- If a spouse who is not in title signed the mortgage, but did not release dower, they must sign the SDO mortgage.
- A party that has an assignment, a quit claim deed or a survivorship deed may be eligible for assistance without a required signature if clear title is proven prior to funding.
- If parties are married, their respective spouses must sign to release dower rights.
- If a party inherits the home from certain deceased relatives they may obtain title to the home without first obligating themselves on either the note or mortgage. When this occurs, the survivor may be eligible for SDO in certain situations. These situations depend largely on the servicer's internal procedures.

Documentation Required

All applicants must submit the following supporting documentation:

- **Electronic application** that is fully completed and signed.
- **Mortgage statement** that is the most recent one available, showing borrowers full names, mortgage company name and contact information, property address, account number, unpaid principal balance, principal, interest, escrow amount breakdown, and total monthly payment.
- **Electric or natural gas bill** dated within 30 days of application showing utility company name, account number, homeowner name, property address, billing period, usage amount and balance due. Utility bills in names other than homeowners are not acceptable; this includes relatives and roommates not on mortgage, note or deed.
- **Third Party Authorization** for Release of Information allowing loan servicers to disclose personally identifiable information (“PII”) needed to complete applications for mortgage assistance, **hand-signed by ALL applicable parties.**
- **Determination or Award Letter for Unemployment, Social Security Disability, VA Disability, Short/long term disability through an employer or insurance company, or Workers Compensation PLUS Payment Summary or check stubs** covering 30 days and showing weekly amount and any deductions; if weekly payments are reduced an explanation is needed. Benefit income offset by wages will require paystubs for all weeks worked
- **Most recent 30 days income for all household members over 18** (see types below); the oldest paystub must be within 45 days of application date.
 - **W2 wage jobs** showing employer name, address and phone, employee name, year-to-date gross earnings, gross hourly or salary payment rate for the pay period; and number of hours worked in the pay period. Offer letters are not acceptable unless accompanied by the first paystub.
 - **Award letter** and payment history for Social Security, Disability, Supplemental Income, and Veterans Benefits. (Note: this is for purposes of counting all income in the house and not for the hardship).
 - **Benefits statement/payment history** for workers compensation, severance pay, short term disability, pension payments, death benefits, annuitized payments, and settlements. Must show company name, beneficiary name, gross benefit amount, and frequency.

- **Self-employment from any business in which the individual owns at least 25 percent** requires the most recent quarterly profit and loss statement, all pages of statements for all bank accounts (business and personal) for the same three month period, and most recent tax return with all pages of all schedules. Self-employed homeowners who have not filed tax returns and/or do not have a bank account to show where income is being deposited are not eligible to receive SDO assistance.
- **Rental income** is not considered self-employment for the purposes of SDO; most recent filed federal tax return with all schedules (net income from Schedule E is used to calculate rental income) or a copy of the current lease agreement, if rental income is not reported on Schedule E.
- **Roommate Income** requires a copy of the lease agreement and/or proof of deposit if tax return does not show rental income.
- **Investment Income** including royalties and dividends requires the two most recent statements from the investment company and most recent two years filed federal tax returns with all pages of all schedules.
- **Divorce decree or other court document** ordering alimony or separate maintenance showing the monthly amount and period of time over which it will be received.
- **Other Government Assistance**
 - Homeowners who receive a housing subsidy, such as the Section 8 Homeownership Program Housing Choice Voucher, are not eligible.
 - Homeowners receiving cash assistance must provide most recent award letter.
 - Veteran’s Administration educational benefits, government education loans, Medicaid, and Food Stamps need not be disclosed.
- **Non-Borrower Household Income**
 - Paystubs/award letter for 30 consecutive days prior to the date of application for SDO showing non-borrower living at property address.
 - A non-borrower is not a spouse, not on the original note/mortgage/deed but who resides in the home and whose income has been relied upon to support the mortgage payment. Examples include, parent, child, family member, or friend.

The following documentation may also be required if taxes/insurance/association fees are not escrowed:

- Most recent **property tax bill** from County Auditor that shows amount due and delinquency if taxes are not escrowed
- Most recent **homeowner's insurance declaration page** or billing statement showing annual premium; if insurance is not escrowed
- Most recent **Homeowner Association or Condo Fee bill**; if fees are not escrowed. If the homeowner's Hazard Insurance is covered by a homeowner's or condominium association, need letter from association stating fees cover insurance or copy of association paperwork showing insurance is included in fees.

File Review

Files will be reviewed within 30 days of application receipt and homeowner will be notified in writing of items needed or eligibility decision. Eligible files are sent to the Mortgage Servicer for approval; if a response is not received within 30 days, the file will be declined as a Servicer Objection.

Conflicts of Interest, Confidential Files

Employees of the Ohio Housing Finance Agency (OHFA), their relatives including those by marriage, friends and neighbors who apply for SDO will be processed as "Confidential" as outlined in the OHFA handbook, Section D28, "Employee Participation in the Hardest Hit Fund (HHF) Programs."

Employees of subcontractors that receive funds from SDO, such as housing counseling agencies, also will be handled using the Confidential Process and they may not be referred by their own agency. Subcontractors from Greenwood360 or Switchbox are not eligible for SDO.

An employee of a mortgage servicer that is participating in the SDO program may apply for SDO assistance but must provide documentation that he or she does not have influence over or access to the Common Data File through which mortgage servicers approve and deny applications.

Fraud and Non-Compliance

Individuals who suspect fraud, waste or abuse must report the activity by calling (614) 387-1064 or completing the online form at http://www.savethedream.ohio.gov/SVDRfraud/SDO_Fraud.aspx.

The Special Inspector General for the Troubled Asset Relief Program may also be contacted at <https://www.sig tarp.gov/Pages/crimetips.aspx>.

Once reported, the designated fraud associate will investigate and determine further action. Due to privacy laws, results of the investigation will not be communicated to the person lodging the complaint.

Homeowners who receive assistance from SDO who are later found to have been non-compliant with program guidelines, engaged in fraudulent activity, or due to associate error may be required to repay any funds for which they were not eligible. SDO will report those homeowners to the U.S. Department of Treasury and OHA will not release or forgive any lien on a property until the homeowner repays the funds.

Appeals

For files that were withdrawn, declined or assistance terminated early, homeowners may appeal within 30 days of first notification of decision. Appeals must be requested in writing with new supporting documents and uploaded to the website, emailed to Savethedream@ohiohome.org, faxed to (877) 649-7046 or mailed to Save the Dream Ohio, 57 East Main Street, Columbus, Ohio 43215.

If the original decision is upheld after appeal review, homeowners may appeal to the department coordinator or manager. If there is an additional escalation, the file will be reviewed by the Governance Committee. The final level of appeal is OHFA HHF Appeal Committee, which is comprised of OHFA's Director of Homeownership, Chief Legal Counsel, and Director of Program Compliance or their designees. The final decision will be documented in writing and provided to homeowner within 30 business days of appeal request receipt.

Programs

As of July 15, 2018, Mortgage Payment Assistance has closed. The only program available to all new applications and appeals is Rescue Payment Assistance.

Rescue Payment Assistance

The Rescue Payment Assistance (RPA) program provides funds for mortgage or property tax reinstatement up to a maximum of \$25,000 to mortgage servicers and/or taxing authorities on behalf of homeowners who are delinquent on their first lien mortgage or property taxes and meet the hardship eligibility by bringing them current.

The maximum RPA benefit is \$25,000. Homeowners will receive the maximum FOR WHICH THEY QUALIFY up to a cap of \$25,000; however, **not all homeowners will receive the entire \$25,000.**

Homeowners must be sustainable after reinstatement as determined by a ratio achieved by dividing the monthly mortgage payment including principal, interest, taxes, insurance and association dues (PITIA) by the gross monthly household income (GMI). Taxes, insurance, and association fees are included in the calculation even if they are not escrowed.

Homeowners are considered sustainable if their PITIA does not exceed **45%** of their gross monthly household income.

RPA funds must bring a homeowner current on their first mortgage, including any escrow shortage at the time of delinquency. If it is discovered after initial funding but within 60 days of reinstatement that the RPA payment issued to the servicer did not fully reinstate the homeowner, additional funds up to the maximum benefit may be used to bring the homeowner current. .

The following are excluded from participation in RPA:

- Homeowners participating in a HAMP trial modification
- Homeowners in active bankruptcy
- Homeowners seeking RPA for a Home Equity Line of Credit
- Homeowners seeking assistance for any lien that is not in first position
- Homeowners with known property tax and/or HOA liens sold to a third party
- Homeowners whose association fees are delinquent unless the homeowner is in a repayment plan with the association.
- Homeowners whose property taxes are delinquent unless the homeowner is in a repayment plan with County Treasurer or are also eligible to receive RPA for taxes

Counseling Agency Participation

Participation of HUD-Approved Housing Counseling agencies was determined by the Request for Qualifications (RFQ) process; only agencies that submitted an RFQ by the July 31, 2016 deadline,

were approved and have a fully executed contract with SDO/OHFA are eligible to participate.

SDO recommends that participating agencies review homeowner housing situations and suggest appropriate action such as applying for SDO or exploring other options like budgeting, modification, and graceful exit. Participating agencies that assist eligible homeowners with applying for SDO may be compensated with administrative funds.

Mortgage Servicer Participation

Participation of mortgage servicers is voluntary; only mortgage servicers that agreed to SDO policy for applying funding and reporting to U. S. Treasury and **have fully executed a contract as of July 15, 2018**, with SDO/OHFA are eligible to participate.

RPA payments may be made to non-participating mortgage servicers if they agree in writing to accept the terms and conditions of the one-time SDO payment.

Records Retention

IMPORTANT INFORMATION

All documentation pertaining to Save the Dream Ohio files must be retained by your office until December 31, 2024.

Glossary of Terms

Adjustable Rate Mortgage: A mortgage with an interest rate that changes periodically.

Balloon Mortgage: A mortgage that requires the borrower repay a significant portion of the principal balance at one time at the end of the loan term.

Cooperative Housing (Co-op): An apartment building or area of land owned by a nonprofit organization who sells shares of ownership to individuals, giving them the right to live in one of the units. Because the actual building is owned by the organization and not the applicant, homeowners living in a co-op are not eligible for Save the Dream Ohio assistance.

Deed: The legal document(s) that transfers ownership of a property and establishes legally recognizable interest in the real estate; recorded in the County Recorder's Office.

Divorce Decree: The legal document that ends a marriage and removes dower rights but does not release liability of a mortgage debt nor the need to sign the Third Party Authorization.

Dower: Ohio law provides that spouses automatically acquire a 1/3 priority interest in a property even if they are on the deed. The "dower" spouse sign to release "dower rights" any time an interest in property is transferred or encumbered. Dower is terminated only by divorce, legal separation, or death of the non-title spouse.

Fixed-Rate Mortgage: A mortgage with an interest rate that does not change during term.

Forbearance: An agreement with a mortgage servicer that allows a borrower to suspend payments for a short time.

Home Equity Line of Credit (HELOC): A revolving line of credit secured by home value.

Home Equity Loan: A lump sum loan secured by the home value.

Interest-Only Mortgage: A mortgage that allows payment of only interest. Amortized interest-only mortgages require interest payments for a set term after which the payment increases to include principal. Non-amortized interest-only loans require a balloon payment at the end of the term to pay off the principal balance.

Land Contract: A contract between a seller and buyer of real property in which the seller provides financing instead of a mortgage company. A land contract does not pass title to the grantor until the debt has been paid in full. Parties to a land contract do not qualify for Save the Dream Ohio.

Mortgage: The security instrument recorded at the County Recorder's office that places a lien on the property. This document is proof that the property was used as collateral to obtain the loan.

Note: A promissory note signed indicating the parties will be liable for the debt.

Pay-Option Mortgage: A mortgage that allows the borrower to choose the type of payment each month: a 15-, 30-, or 40-year fully amortizing payment; an interest-only payment; a minimum payment; or an amount greater than the minimum payment.

Power of Attorney: An instrument authorizing one person to act as the agent of another person and sign documents on their behalf.

Quit-Claim Deed: A type of deed that transfers all interest the grantor has to the grantee. This does not release the party from any liability he or she may have on a mortgage or note. It also does not relieve any previously existing requirement that the Third Party Authorization must be signed.

Repayment Plan: An agreement with a mortgage servicer that allows a homeowner to repay missed payments over a period of time defined by the mortgage servicer.

Reverse Mortgage: A loan which pays the homeowner funds based on the home equity and defers payments until the owner dies, sells the home, moves out of the home, or violates the mortgage terms.

Separation Agreement: A legal separation is a court order where the husband and wife remain married, but live separately. A Separation Agreement does not release liability of a mortgage debt or the need to sign the Third Party Authorization.

Subordinate or Second Lien: A mortgage lien in a position other than first in line of priority in relation to bankruptcy or default; usually a HELOC.

Simple Interest: Simple interest is interest calculated on a daily rather than monthly basis. The way in which interest is calculated causes the mortgage payment to change each month.

Third Party Authorization: A document that authorizes SDO to obtain information from and provide information to a mortgage servicer on behalf of a homeowner.

Trust: A fiduciary relationship in which one person (the trustee) holds the title to property (trust estate or trust property) for the benefit of another (the beneficiary).