Indiana Homeowner Assistance Fund 2022 Annual Report

Submitted to U.S. Department of Treasury on November 15th, 2022

Introduction

IHCDA is required to submit an annual report to the U.S. Department of the Treasury with descriptions and figures related to its community engagement and outreach activities, performance goals, targeting plan, and coordination efforts during the reporting period. Annual reports include information on the progress of IHCDA's HAF program, including background information, outreach expenditures, performance on goals laid out in the HAF Participant Plan, and coordination efforts with community-based organizations, housing agencies, and servicers.

Community Engagement and Outreach

1. *Did you continue outreach to communities once your HAF Program began?* **Yes**
2. *Please quantify the total amount of funds spend on outreach?* **$185,712**
3. *You identified the Community-based Organizations listed below in your HAF Participant Plan or a previous report. Please indicate whether or not you have performed outreach to these organizations using the checkboxes in the "Outreach performed" column.*

Community-Based Organization	Type	Added on this report?	Outreach Performed?
Indiana Foreclosure Prevention Network	Community Organization	☐	✓
Indiana Foreclosure Prevention Network	Provider	☐	✓

Performance Goals

IHCDA provided several preliminary goals at program launch that it would consider monitoring. Measurable results for those goals have been provided. Now that more data is available to help estimate program volume IHCDA will identify specific metrics that it can track separately and will provide goals for each. The below data is current as of November 14th, 2022, except where otherwise noted.

Indiana Housing & Community Development Authority

Metric	Outcome
Home Losses Avoided	1,865
Borrowers Served Per Month	251[1]
Socially Disadvantaged Individuals[2] Served	747
Application Approval Rate	53.5%
Unique Visits to Application Portal	28,000[3]
IHAF Pre-Screenings Completed	23,000
Average Time to Completion	90 Days[4]
Housing Counselor Contacts	2,800[5]

Households served in areas of highest need as determined by IHCDA's Data & Needs Analysis[6]:

Rank	County	Economic Distress Score	Applications	Total Assistance
1	Switzerland	12.30%	5	**$0.00**
2	Marion	11.30%	1753	**$5,141,682.45**
3	Brown	10.70%	11	**$4,517.97**
4	Orange	10.70%	17	**$16,770.40**
5	Jay	10.50%	10	**$13,932.54**
6	Starke	10.50%	36	**$25,956.59**
7	Lake	10.30%	1034	**$3,466,822.81**
8	Wayne	10.30%	54	**$203,890.54**
9	Jennings	10.20%	23	**$41,780.77**
10	Union	10.20%	8	**$0.00**
11	Newton	10.10%	13	**$30,016.82**

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[1] Excludes March and November 2022

[2] The U.S. Department of Treasury defines a "Socially Disadvantaged Individual" as someone whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances. The impairment must stem from circumstances beyond their control. Indicators of impairment may include being a member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society or an individual with limited English proficiency.

[3] Data represents unique visitors to 877GetHope.org between 08/10/22 and 11/09/22.

[4] This average includes applications that are approved, denied, withdrawn, and automatically closed due to unresponsiveness.

[5] This includes applicants that housing counselors contacted who elected to pursue IHAF assistance, applicants housing counselors contacted who elected to pursue other loss mitigation options, and applicants that housing counselors attempted to contact but failed to reach after three attempts.

[6] To identify areas in greatest need, IHCDA developed a ranking method that incorporated several metrics for all 92 counties. IHCDA categorized these metrics into four categories: Eligible Homeowners, Socially Disadvantaged Individuals, Economic Distress, and Housing Distress. These metrics were calculated to determine an Economic Distress Score. A higher Economic Distress Score represents a need for more assistance in that county. The table above represents the top scoring quartile of all Indiana counties (i.e., the counties most in need of assistance).

Indiana Housing & Community Development Authority

12	Fayette	10.10%	23	**$30,620.57**
13	Madison	10.00%	197	**$481,223.14**
14	Grant	10.00%	82	**$144,457.47**
15	Crawford	10.00%	14	**$38,256.79**
16	Blackford	9.80%	13	**$57,863.85**
17	Vanderburgh	9.80%	313	**$811,185.30**
18	LaPorte	9.70%	158	**$467,591.54**
19	Harrison	9.70%	50	**$146,644.22**
20	Randolph	9.70%	29	**$11,260.53**
21	Fulton	9.60%	30	**$22,395.08**
22	Clark	9.60%	178	**$455,531.57**
23	Cass	9.50%	24	**$41,515.59**
	TOTALS		**4075**	**$11,653,916.54**

IHCDA continues to improve the efficiency, effectiveness, and transparency of its IHAF program. Upon program launch, IHCDA's focus was to ensure the basic functions of the program were operating as intended and to identify any bottlenecks or unintended obstacles that could contribute to poor program performance. Another objective during the first months following program launch was to ensure effective cooperation between program stakeholders – IHAF Case Managers, IFPN Housing Counselors, the program's technology vendor, various other third-party vendors, and IHCDA staff. During this startup period, the agency focused on establishing internal policies, SOPs, communication protocols, and implementing additional features, such as appeal and reapplication functionality, that were not initially available at program launch. Furthermore, new specialized positions were created for servicer outreach and additional case managers were hired as needed. IHCDA is confident that these changes have improved the program – as demonstrated by the amount of assistance disbursed, which increased for six months consecutively, and in the number of households served, which increased for seven months consecutively.

Households Served By Month
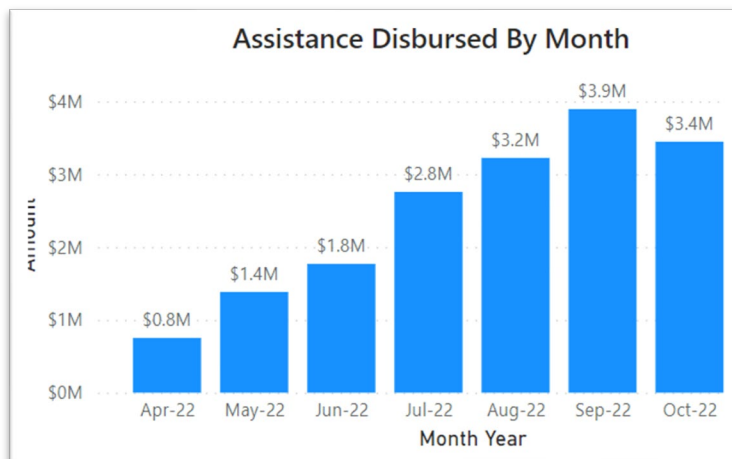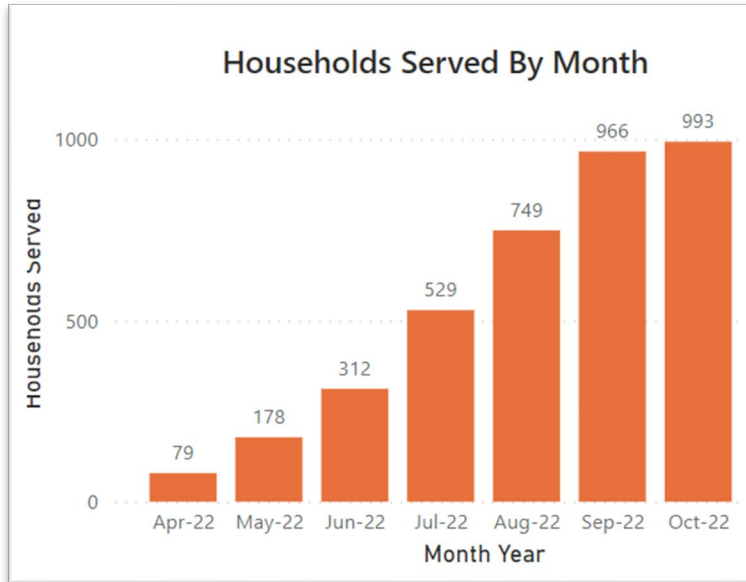
As the program enters its second year, IHCDA's objectives will shift from ensuring basic program functionality to identifying opportunities for more efficient operation. As part of this, IHCDA will prioritize identifying ways to continue decreasing the time from application submission to approval and increasing the program's application approval rate. Other objectives include increased program transparency, improved communication with applicants, and more focused marketing to vulnerable communities and populations.

Methods for Targeting

1. Please provide an update on your targeting plan including challenges, successes, etc.

IHCDA's first year focus was to stand up the program as quickly as possible, identify inefficiencies, and streamline the application and review process as much as possible. As such, IHCDA did not engage in an extensive marketing campaign as the number of applications being submitted based on word-of-mouth alone was deemed sufficient. IHCDA's first year marketing was largely done through digital marketing based on Google search keywords and some limited outreach including an in-person mobile intake event. However, now that the program is operating smoothly, IHCDA intends to renew its focus on marketing and outreach. In fact, IHCDA intends to begin a large statewide digital marketing campaign via Facebook and YouTube on November 15th. Additionally, IHCDA has identified vulnerable counties it intends to specifically target with focused digital and non-digital marketing efforts.

Challenges IHCDA is currently encountering include the following:

1.   Missing low-income Indiana residents with limited access to the Internet and mobile phone service

2. Management of geo-targeting financial regulations related to presumption of financial status

Successes include:

1. Targeting methods such as Google Search Ads serve the message to Internet users searching for "foreclosure and homeowner assistance." Since this audience is searching for this service, this is considered pull advertising because it attracts an engaged audience.

2. Digital advertising allows IHCDA to simultaneously leverage various mediums, from display banners to videos, across multiple devices (desktop, mobile, and tablet).

3. Ads are self-managed, and no contracts are needed with publishers; thus, optimizations may be made in real-time to enhance the campaign results. Optimizations include adjusting the price paid for advertisements and negating keyword phrases and placements where users are not clicking through and converting.

Results[7]:

1. Over 3.74 million Impressions (ads seen across Indiana)

2. 78K clicks on the ad to the Indiana Foreclosure site (at a 2.08% combined Click-Through Rate of search and display), indicating the ads are receiving engagement well above the industry average for the financial/housing industry, which is below 1%.

3. 14.8K clicks to apply for assistance - users started an application after clicking an ad at an average rate of 19%. This percentage is also well above the industry average of 3%.

4. These metrics indicate the viability of digital ads for delivering the message and raising awareness for the program

2. Is the targeting plan put forth in the HAF Plan achieving the desired results? **Yes**

Best Practices and Coordination

1. Have you coordinated with any of these agencies? (FHA, VA, USDA, GSE's, State or Local Agencies that hold mortgage portfolios) **Yes**

IHCDA has engaged in case-by-case coordination with specific agencies in an attempt to identify solutions that would allow IHAF applicants to remain in their homes. Now that initial program startup is completed, IHCDA intends to renew its focus on larger scale coordination with these agencies to provide the most efficient and effective service possible to applicants.

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[7] Data reflects July 2022 through November 7, 2022

2. Have you coordinated with servicers? **Yes**

The Indiana Homeowner Assistance Fund (IHAF) is committed to onboarding all mortgage servicers and property charge providers that wish to participate. IHCDA prioritized servicer outreach early because mortgage assistance cannot be provided unless an applicant's servicer is onboarded. Through this effort, IHCDA onboarded hundreds of servicers early in the program, preventing undue delay for applicants. Additionally, qualified program staff were assigned to work directly with servicers. By dedicating staff to servicer outreach, IHCDA can foster relationships, offer additional training opportunities, and provide undivided attention to servicers when needed.

In early February 2022, prior to IHAF's official launch, IHAF case managers engaged in outreach utilizing a list of nearly 400 mortgage servicers who participated in the Hardest Hit Fund (HHF) program. This information was divided amongst case managers who contacted servicers via email and phone. Case managers explained the program, answered questions, and provided onboarding information . Case managers documented each outreach attempt, any unresolved items, and onboarding status. Onboarding as many providers as possible prior to launch was imperative to the program's success.

Once mortgage servicers and property charge providers (county treasurers, homeowner associations, and homeowner insurance companies) began onboarding with IHAF an onboarding team was created for each provider. The onboarding team was a necessary element of the early phases of the program due to the complexities involved in onboarding servicers to the program's SFTP site and case management portal, known as FAMS. The onboarding team was composed of case managers that received supplemental training.

Once the bulk of the initial mortgage servicers and property charge providers were onboarded, it was determined a permanent Onboarding Specialist position was needed. The Onboarding Specialist works directly with any mortgage servicer or property charge provider that still needs to be onboarded into FAMS. The specialist provides continuous outreach, answers questions, sends required forms, and onboards each provider.

It was also determined that a Mortgage Servicer Liaison was necessary. There are two dedicated Mortgage Servicer Liaisons that hold one-on-one servicer calls as needed and host small group servicer and monthly multi-servicer calls. During these calls, Mortgage Servicer Liaisons can troubleshoot and answer questions. In addition to holding calls with servicers, IHCDA also assists servicers via e-mail using a shared inbox. This shared inbox is monitored by four Senior Case Managers, the Deputy Project Manager, and the Project Manager to ensure prompt and accurate responses.

IHCDA is committed to providing servicers with the most current IHAF information. When CDF 7.4 was launched in August 2022, an e-mail blast was sent to all participating mortgage servicers. Included were several resources provided by NCSHA: the CDF 7.4 Data Dictionary, 7.4 CDF Required Fields, and the CDF 7.4 Toolkit. Servicers were also given a Provider Portal Troubleshooting Guide created by the Mortgage Servicer Liaisons. This guide was created to assist mortgage servicers with the file transfer process.

Throughout the IHAF program enhancements have been created for the purpose of strengthening servicer communication and transparency. At program inception, servicers were sent two automated e-mail notifications: when an I/Q record was sent and when a Bad CDF Report was sent. Servicers are sent a Bad CDF Report 24 hours after a CDF resulting in a failed status is uploaded to the provider portal. These reports are sent to each servicer and alert them that a CDF has failed and needs to be corrected. If a servicer is utilizing their own SFTP site, these reports are sent via e-mail every Friday. To increase communication and transparency with our servicers, enhancements have been created per servicer requests. Servicers now receive automated e-mail notifications for outstanding records. These e-mail notifications are sent 7, 14, and 21 days after an I, Q, or B record is sent. Servicers also now receive B records 48 hours after disbursements are made.

IHCDA strongly believes it is a best practice to invest in servicer relationships. This includes frontloading onboarding, creating an initial onboarding team, creating a dedicated Onboarding Specialist position, creating a dedicated Mortgage Servicer Liaison position, providing continuous training opportunities for servicers, and strengthening communication and transparency. Ultimately, homeowners cannot be assisted without each of these vital components.

Earned Interest & Certification

1. *Did you earn interest in excess of $500 through the calendar year ending December 31, 2021?* **No.**

I certify that the information provided is accurate and complete after reasonable inquiry of people, systems, and other information available to the HAF participant. The undersigned acknowledges that any materially false, fictitious, fraudulent statement, or representation (or concealment or omission of a material fact) in this submission may be the subject of criminal prosecution under the False Statements Accountability Act of 1996, as amended, 18 USC 1001, and also may subject me and the HAF participant to civil penalties, damages, and administrative remedies for false claims or otherwise (including under 31 USC 3729 et seq.) The undersigned is an authorized representative of the HAF participant with authority to make the above certifications and representations on behalf of the HAF participant.

Name

Christopher Nevels

Title

Director of Asset Preservation