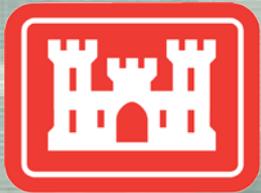


Expansion of the Homeowners Assistance Program (HAP) by the American Recovery and Reinvestment Act of 2009

HQUSACE

April 2010



®

US Army Corps of Engineers
BUILDING STRONG®

Basis for HAP

- Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966.
- Loss must be “...as the result of the actual or pending closing of a base...”
- Expanded HAP – no requirement to prove market decline was caused by the BRAC announcement.



HAP Expansion

- The American Recovery and Reinvestment Act of 2009 authorizes expansion of HAP benefits:
 - ▶ Wounded, Injured, Ill and Surviving Spouse homeowners.
 - ▶ BRAC 05 organizations without proof of causal relationship.
 - ▶ Service member homeowners permanently reassigned during the home mortgage crisis.



Home Purchase Price Cap of Expanded HAP

- 2009 Fannie Mae/Freddie Mac conforming loan limits by county
- \$417,000 - \$729,750
- Apply to all ARRA applicant homes.



Military Wounded , Injured, Ill Eligibility

- Any member of the Armed Forces (including Coast Guard) in medical transition who:
 - Incurred a wound, injury, or illness in the line of duty during a deployment on or after 11 Sep 2001; and is
 - Disabled to a degree of 30 percent or more as a result of such wound, injury, or illness; and
 - Reassigned in furtherance of medical treatment or rehabilitation, or due to medical retirement in connection with such disability, and
 - Establish and adequate nexus between condition and decision to relocate from primary residence.



Wounded, Injured, Ill Civilian Eligibility

- Any civilian employee of the Department of Defense or the United States Coast Guard who:
 - Suffer wound, injury, or illness on or after 11 Sep 2001, in the performance of his or her duties during a forward deployment occurring, in support of the Armed Forces; and
 - Relocate from their primary residence in furtherance of medical treatment, rehabilitation, or due to medical retirement resulting from the sustained disability, and.
 - Establish and adequate nexus between condition and decision to relocate from primary residence.



Military Eligibility Tied to Deployment

Deployment: Performing service in a training exercise or operation at a location or under circumstances that make it impossible or infeasible for the member to spend off-duty time in the housing in which the member resides when on garrison or installation duty at the member's permanent duty station, or home port, as the case may be.



Civilian Eligibility Tied to Forward Deployment

Forward Deployment: Performing service in an area where the Secretary of Defense or the Secretary's designee has determined that Service members are subject to hostile fire or imminent danger under Section 310(a)(2) of title 37, United States Code.



Surviving Spouse Eligibility

- The spouse of a member of the Armed Forces or a civilian employee of the Department of Defense or the United States Coast Guard if:
 - The member or employee dies as a result of a wound, injury, or illness while deployed (or forward deployed for civilian employees) on or after September 11, 2001, and
 - The spouse relocates from the member's or civilian employee's primary residence within two years of the death of such spouse.



BRAC 05 Eligibility

- Military personnel and civilian employees (other than temporary and contractor employees).
- Assigned to announced organization / installation prior to announcement date.
- Position is relocated or eliminated.
- Must have purchased home prior to 13 May 2005.
- County home values must have declined at least 10%.
- Individual home value must have declined at least 10%.



BRAC 05 Eligibility (Continued)

- Organization and home must move at least 50 miles to new location.
- Civilian employee retirees eligible only when position relocated or eliminated.
- Military retirees eligible only for mandatory retirement.
- Sell home between 1 Jul 2006 and 30 Sep 2012.



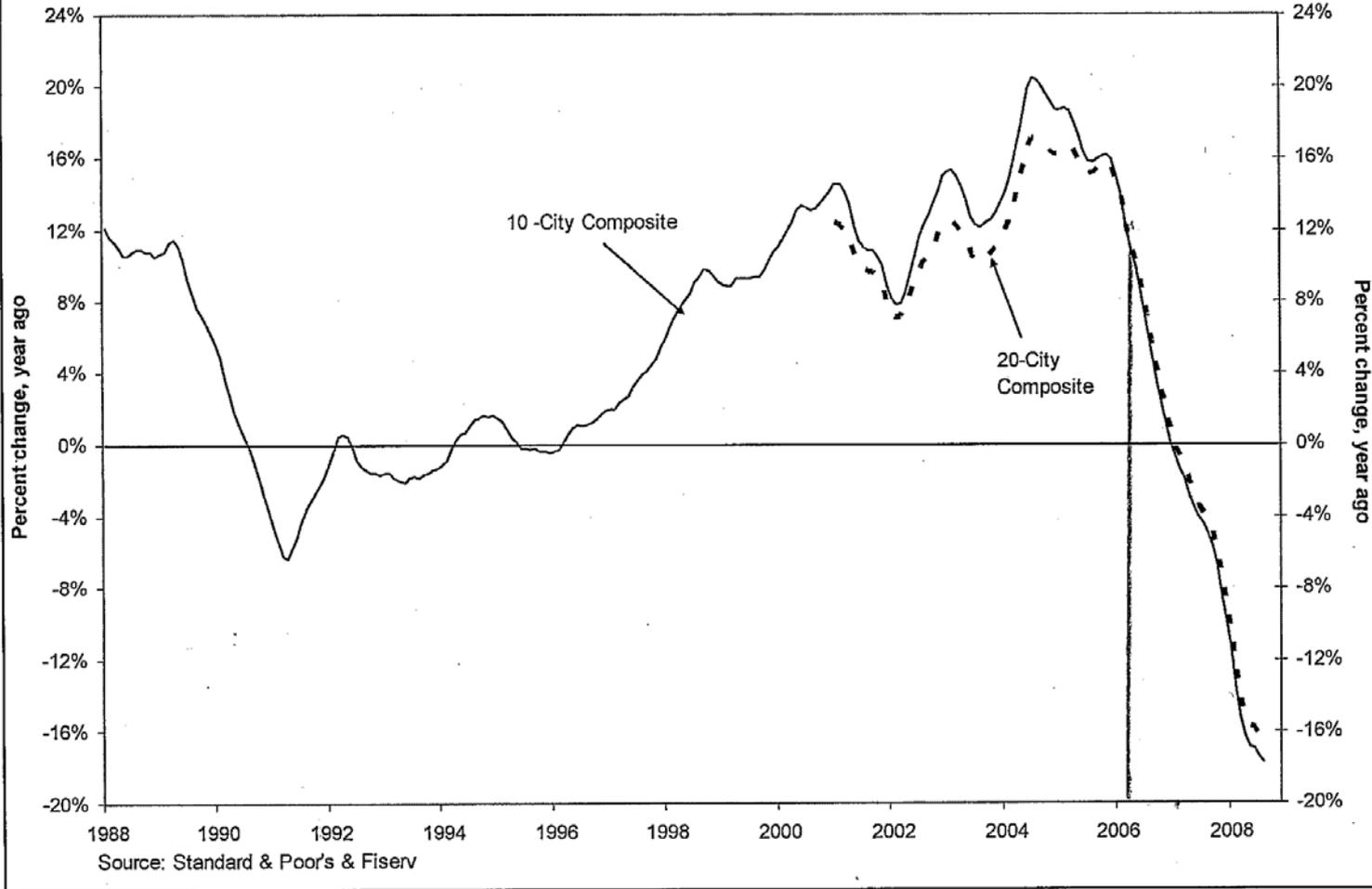
Military PCS Eligibility

- Military personnel only.
- PCS orders dated 1 Feb 2006 thru 30 Sep 2010*.
- Must have purchased home prior to 1 Jul 2006.
- County, parish, city home values must have declined at least 10%.
- Individual home value must have declined at least 10%.

* Note: Subject to availability of funds.



S&P/Case-Shiller Home Price Indices



Military PCS Eligibility

- Military personnel only.
- PCS orders dated 1 Feb 2006 thru 30 Sep 2010*.
- Must have purchased home prior to 1 Jul 2006.
- County, parish, city home values must have declined at least 10%.
- Individual home value must have declined at least 10%.

* Note: Subject to availability of funds.



Military PCS Eligibility (Continued)

- Receive benefits only once under this expanded program.
- Property is/was primary residence.
- Member must move at least 50 miles (Duty station and home).
- Retiring personnel: only mandatory retirements are eligible.
- New accessions (entering active duty) are not eligible.
- Sell home after 1 July 2006.



Appeals

- HAP applicants may appeal program policies, home value estimates, etc.
- Appeals must be written (no specified format), and submitted to the executing district for review/approval.
- If appeal is not approved at the district, it will be forwarded to the regional HQ and HQUSACE for consideration. If neither the regional HQ or HQUSACE approve the appeal, it will be forwarded to the DUSD-I&E for final consideration.
- Eligibility criteria specified in the law may not be appealed.



WII and SS Benefits

- **Foreclosure:** Assist after the foreclosure. Benefits may include direct cost of judicial foreclosure, expenses and enforceable liabilities according to the terms of the promissory note
- **Private Sale:** Reimburse:
95% of purchase price - sale price + closing costs



WII and SS Benefits (Continued)

- **Govt. Acquisition:** Reimburse the greater of
90% of purchase price
OR
Mortgage payoff

Note: HAP will not reimburse or pay-off second mortgages, including equity lines of credit, unless obtained when home purchased, or funds were used to improve home.



BRAC 05 & Mil. PCS Benefits

- **Foreclosure:** Assist after the foreclosure. Benefits may include direct cost of judicial foreclosure, expenses and enforceable liabilities according to the terms of the promissory note
- **Private Sale (Mil.):** Reimburse:
90% of purchase price - sale price + closing costs



Private Sale

Benefit pays up to 90% of purchase price.

▪ Purchase price (PFMV) of \$200,000 X 90% =	\$180,000
▪ Applicant sells house (CFMV) for	\$150,000
▪ Mortgage payoff amount	\$130,000
▪ Basic HAP benefit = \$180,000 - \$150,000	\$30,000
▪ HAP reimbursement of closing costs (7% of sale price)	\$10,500*
▪ Cash after mortgage payoff	\$50,000
	Military applicants \$60,500
▪ Taxable liability (Unemployment Compensation Extension Act of 2009)	\$0

Notes:

* Military applicants only. Civilian employees receive reimbursement of closing costs as part of relocation



BRAC 05 & Mil. PCS Benefits (Continued)

- **Government Acquisition:** When not able to sell home within 120 days, and approved by HQUSACE, applicant eligible to receive the greater of:

75% of the purchase price

OR

Mortgage payoff

Note: HAP will not reimburse or pay-off second mortgages, including equity lines of credit, unless obtained when home purchased, or funds were used to improve home.



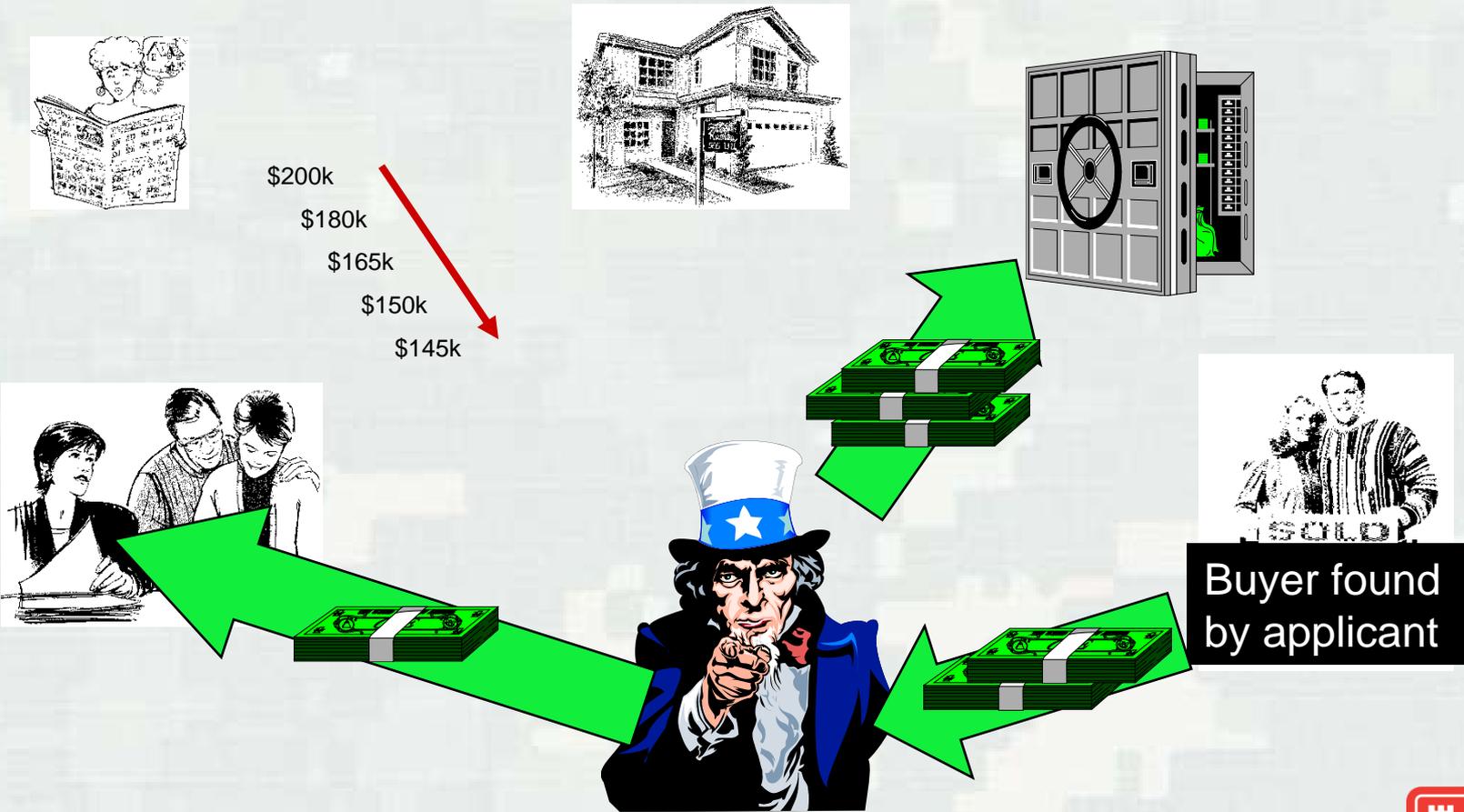
Government Acquisition

Acquire home for 75% of the purchase price or the balance of existing mortgages, whichever is greater...

▪ Purchase price (PFMV) of \$200,000 X 75%	\$150,000
▪ CFMV on date of acquisition	\$140,000
▪ Mortgage payoff amount	\$190,000
▪ Cash payment to applicant (Equity) (Mort. Payoff > 75% PFMV)	\$0
▪ Taxable Liability (Unemployment Compensation Extension Act of 2009)	\$0



Government Acquisition (Continued)



Tax Liability of Expanded HAP Benefits

- Expanded HAP benefit tax liability was eliminated when the President signed the Unemployment Compensation Extension Act of 2009 into law on 7 Nov 2009.



Applicant Processing

- Applicants submit application packet. Required documents include:
 - ▶ Form HUD-1 – Proof of home purchase price.
 - ▶ Proof of ownership - copy of deed.
 - ▶ Proof of occupancy at time of announcement, deployment or receipt of PCS orders (e.g., utility bill).
 - ▶ Proof of program eligibility



Applicant Processing (Continued)

- Proof of program eligibility (Continued)
 - WII: DOD disability documentation & proof that disability resulted from deployment.
 - SS: DD Form 1300 (Report of Casualty) – proof that death resulted from deployment.
 - BRAC 05: Proof of assignment to BRAC 05 organization and position relocation/elimination.
 - PCS (Military): copy of orders
- Processing priorities: WII & SS, BRAC 05, PCS



HAP Centers of Expertise

Sacramento District



Ft. Worth District



Savannah District



HAP Website

<http://hap.usace.army.mil/>

- **Program Information**
- **HAP Application**
- **FAQs**



The Homeowner's Assistance Program

U.S. Department of Defense – Homeowner's Assistance Program

Overview

Background

(CONVENTIONAL HAP – FOR BRAC WHERE THE ANNOUNCEMENT CAUSES A MARKET DECLINE)

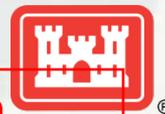
The Homeowners Assistance Program (HAP) is authorized in Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended. The law provides some monetary relief to eligible service member (including Coast Guard) and federal employee (including non-appropriated fund) homeowners who suffer financial loss on the sale of their primary residences when a base closure or realignment announcement causes a decline in the residential real estate market and they are not able to sell their homes under reasonable terms or conditions.

The US Army Corps of Engineers will analyze your community's real estate market, conduct market impact studies, and make a recommendation to the Deputy Assistant Secretary of the Army for Installations and Housing.



BEWARE OF BOGUS HAP WEB SITES

This one is on the web at <http://homeownersassistanceprogram.com>



HAP Website

<http://hap.usace.army.mil/>

- **Program Information**
- **HAP Application**
- **FAQs**

