

New Hampshire Credit Unions



Creating Cooperative Power

September 13, 2021

Ms. Mari Voisine
Homeowner Assistance Fund Program Manager
New Hampshire Housing
32 Constitution Drive
Bedford, NH 03101

BY EMAIL ONLY

Dear Ms. Voisine:

On behalf of New Hampshire credit unions and the Cooperative Credit Union Association, Inc. (“Association”), please accept this letter in response to New Hampshire Housing’s request for comments on its proposed Homeowner Assistance Fund (“HAF”) Plan (“Plan”).¹ The Association is the state credit union trade association, serving 13 New Hampshire federally- and state-chartered credit unions that are cooperatively owned by 761,000 consumers as members.²

The Association appreciates the opportunity extended by New Hampshire Housing to credit unions to offer insights and comments on the draft Plan prior to its submission to the U.S. Department of Treasury. In preparation for this comment letter, credit unions were asked for their comments on the Plan.

Credit unions applaud the efforts of New Hampshire Housing to create, prioritize and identify programs as part of the Plan that will be most beneficial and timely to best deliver meaningful solutions to ensure that homeowners are not displaced in the current marketplace dominated by the everchanging impact of COVID-19 and related variants.

A. Overview

Credit unions, consistent with long standing practices, are currently very focused on meeting member needs. There have been numerous directives issued at the state and federal levels relative to foreclosure and forbearance issues since the arrival of COVID-19. Without question, credit unions have worked diligently to not only follow all such guidance, but also to go well beyond. A tailored, hands-on approach to ensure that member borrowers are given every opportunity for assistance is the hallmark of local credit unions. Steps taken have included

¹ HAF was established under section 3206 of the American Rescue Plan Act of 2021.

² Local New Hampshire credit unions saved members approximately \$90 million in financial benefits last year through lower loan rates, high savings rates, fewer fees, and their competitive presence in the state. Source: Datatrac, NCUA, and CUNA Estimated Financial Benefits for New Hampshire Credit Unions December 2020.

postponing possible displacement, forbearing mortgage payments, offering borrowers additional payment deferrals and grace periods to complete trial loan modifications, and proactive outreach to borrowers. The Association appreciated the response of New Hampshire Housing during the recent public hearing in rejecting a “one size fits all approach” and recognizing the numerous approaches to loss mitigation, often dependent on the various types of mortgages, and the ability of credit unions to offer their own flexible standards for loans held in portfolio.

B. Plan Reasonableness and Flexibility

The Association supports the inclusion of the requirement that homeowners will be required to show that they suffered a financial hardship due to the coronavirus pandemic as part of the criteria for access to each of the three proposed programs and assistance.³ Furthermore, credit unions also support the requirement under the Reinstatement HAF that homeowners must inquire about loss mitigation programs available through their lender/servicer prior to receiving HAF assistance. Such criteria will help ensure that those borrowers most in need have exhausted all resources available and are eligible for additional assistance offered under HAF.

Notably, the Plan recognizes flexibility within the use of HAF funds and is also of value to members and credit unions. HAF funds may be used to bring accounts fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for various property charges.⁴

In addition, the Association believes that incorporating counseling as a financial education tool for applicants receiving funding under the Reinstatement HAF who are not able to afford the monthly payment going forward is prudent and consistent with the mission of credit unions. The benefits of housing counseling for all applicants who are ineligible for HAF programs and also for those have been denied a loss mitigation solution through lenders/servicers are undeniable and will help homeowners improve their financial capacity.

Finally, a lingering concern of credit unions has been the longer-term impact to members by simply adding payments to the end of a mortgage loan. The Association believes that the availability and structure of the Reinstatement HAF will help mitigate any adverse consumer impact arising under these circumstances.

C. On-Going Review of the Plan

The Plan notes that New Hampshire Housing will reassess the need for additional programs or changes in current programs within three to six months from the launch. At that time, New Hampshire Housing plans to determine whether any changes need to be made to the eligibility requirements, document submission process, and program maximums or if there is a need to

³ Additional criteria supported is the requirement that the borrower attest to have not received any federal assistance or mortgage relief under the Homeowner Assistance Fund or the New Hampshire Emergency Rental Assistance program.

⁴ Proper use of funds includes taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners’ association fees or utilities that the servicer advanced to protect a lien position. Payments may also include reasonably required legal fees.

establish new programs. The Association believes that the specified “continuing review and evaluation” approach is the right approach at the right time to benefit all interested parties, including credit unions as lenders.

D. Credit Union Outreach Assistance Available

New Hampshire’s HAF outreach and marketing plan is supported by credit unions and is anticipated to be rigorous. It will include, but not be limited to, a designated webpage on the New Hampshire Housing website and a unique website, www.HomeHelpNH.org, that will prominently display HAF program information.⁵ As the trade association for credit unions, the Association stands ready to offer its assistance to bring further visibility to the new resources by leveraging existing partnerships with its members and consumers to reach all residents, including low income, minority, and socially disadvantaged populations. Finally, New Hampshire Housing’s pledge to develop and make available outreach and marketing materials in multiple languages will also greatly assist this effort.

E. Conclusion

The Association appreciates the recent public hearing hosted by New Hampshire Housing and the opportunity to comment on the draft HAF plan. Whenever local credit unions can be of further assistance, then please contact the Association at govaff-reg@ccua.org. Credit unions are pleased to assist wherever possible to promote housing stability in our communities.

Sincerely,



Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.

RM/MAC/KB

⁵ Also planned are guidance and resources on the website to those experiencing homeownership or rental housing instability. It is the further understanding of the Association that social media, news releases, and digital and print advertising, together with other messaging channels, such as PSAs and community outreach, will be incorporated to ensure a broad, growing and shifting access to information for all consumers.