

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO



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## Homeownership Emergency Loan Program COVID-19 HELP Loan Addendum

(Effective immediately)

In response to the current COVID-19 pandemic and until further notice, the Mayor's Office of Housing and Community Development (MOHCD) is implementing the following changes (this "Addendum") to the Homeowner Emergency Loan Program (HELP) to assist low- to moderate-income San Francisco homeowners (up to 120% AMI) who are struggling to make housing payments due to financial hardship caused by COVID-19. Please see the complete [December 2019 HELP Operating and Procedures Manual](#) (the "HELP Manual") for more information.

### Changes to HELP: Loans Addressing Financial Hardship Due to COVID-19 (COVID-19 HELP Loan)

#### Eligible Uses of a COVID-19 HELP Loan:

COVID-19 HELP loans can be used to cover: (a) delinquent HOA dues; (b) current and future HOA dues for up to 12 months; (c) delinquent and current special assessments; (d) mortgage forbearance deferred payments that are due in one lump sum when an affordable repayment option is not available (this does not apply to federally backed mortgage loans such as Fannie Mae, Freddie Mac, U.S. Department of Veteran Affairs (VA), and Federal Housing Administration (FHA) loans); and (e) delinquent non-escrowed property taxes.

#### Eligibility for a COVID-19 HELP Loan:

1. Borrowers must have experienced a financial hardship due to the COVID-19 pandemic. A financial hardship includes reduced income due to factors such as reduced work hours, temporary business closure or slowdown, layoffs, and/or increased out-of-pocket medical expenses related to COVID-19. Homeowners experiencing a financial hardship unrelated to COVID-19 may be eligible for HELP under the regular program guidelines.
2. Borrowers must have been current or less than 30 days past due on their mortgage loan account, property tax account, and/or HOA account as of April 1, 2020. Borrowers with an account delinquency prior to March 1, 2020 are not eligible for a COVID-19 HELP loan, but may be eligible for a regular HELP loan.
3. To demonstrate financial hardship as a result of COVID-19, borrowers are required to submit the "[Affidavit of Financial Hardship Due to COVID-19](#)" form along with its supporting documentation. See the form for details.

4. Borrowers do not need to provide documentation to verify inability to secure financing from traditional lenders and/or ineligibility for other financial options prior to applying for COVID-19 HELP.
5. Borrowers are not required to attend a one-on-one foreclosure intervention counseling session but can reach out to a MOHCD-approved and HUD-certified housing counseling agency if assistance is needed in applying. Please go to [www.homeownershipsf.org](http://www.homeownershipsf.org) for a list of agencies.

#### **COVID-19 HELP Loan Terms:**

1. There are no monthly payments. The COVID-19 HELP loan principal balance plus 1% annual simple interest is due upon the sale, transfer of title, failure of the property owner to occupy the property as the property owner's Principal Residence, or other non-compliance with the terms of the loan.
2. Maximum Loan Amount: The maximum amount used to pay for advance HOA dues may not exceed \$12,000, including non-recurring closing costs. Non-recurring closing costs vary by loan but the average costs are around \$1,000 which can be rolled into the loan. When combined with other COVID-19 HELP permissible uses, the maximum total loan amount may not exceed \$25,000.
3. Minimum Loan Amount: \$5,000 not including non-recurring closing costs.
4. Current front-end or housing ratio can be greater than 40% but must be no less than 28%.
5. Maximum Combined Loan-to-Value (CLTV) ratio cannot exceed 100%. The property value will be determined in the following ways: (a) for a Below Market Rate unit, the property value will be determined by the restricted resale price calculated by MOHCD; and (b) for a Market Rate unit, the property value will be determined based on the estimated value derived from the average of three reputable online property value websites. An appraisal is not required.

#### **Notes:**

1. This COVID-19 HELP Loan Addendum is in effect until further notice. If there is any conflict between this Addendum and the HELP Manual related to a COVID-19 HELP loan, this Addendum will temporarily control and supersede the conflicting requirements in the HELP Manual. All other requirements contained in the HELP Manual will remain in effect and apply to a COVID-19 HELP Loan.
2. The COVID-19 HELP application package must be submitted electronically via the [ShareFile](#) link on the MOHCD website <https://sfmohcd.org/COVID19HELP>.
3. Below is an estimated timeline for closing a COVID-19 HELP loan. The entire process takes about 4 weeks from the day a complete application package is received to the date that the loan is disbursed. The processing time can vary depending on the number of applications received, complexity of applications, and additional information required to determine an applicant's eligibility.

<b>COVID-19 HELP Timeline</b>	
<b>Steps</b>	<b>Time Estimate</b>
Complete Application Submittal to Issuance of Approval Letter	7-10 business days
Buyer Signing	2-3 business days
HELP Loan Funding	5 business days
Closing	2-3 business days
<b>Total Business Days</b>	<b>16-21 business days</b>

## QUESTIONS:

All program and application information can be found online: <https://sfmohcd.org/COVID19HELP>.

If you have any further questions or need assistance in applying, we encourage you to contact a housing counselor: [www.homeownershipsf.org](http://www.homeownershipsf.org).

Additional program inquiries can be sent to [ffely.charun@sfgov.org](mailto:ffely.charun@sfgov.org). Please allow 5 business days for a response.