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| TRAINING AND EMPLOYMENT NOTICE | NO. 30-12 |
| | DATE April 5, 2013 |

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE LABOR COMMISSIONERS
STATE UI DIRECTORS
AMERICAN JOB CENTERS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Mortgage Relief for Unemployment Insurance (UI) Claimants and Unemployed Workers at American Job Centers (AJCs)

1. **Purpose.** This notice is intended to alert the workforce investment system of a national partnership among the Departments of Housing and Urban Development (HUD), Treasury and Labor (DOL) to expand awareness of mortgage relief for UI claimants and unemployed workers, and to lay out the actions required to implement the partnership.
2. **Background.** The Obama Administration's unprecedented housing recovery efforts, including assistance to homeowners through the Federal Housing Administration (FHA) and the Making Home Affordable (MHA) programs, have helped millions of families modify their mortgages and avoid foreclosure. In addition, two federal programs – FHA's special unemployment forbearance and MHA's Home Affordable Unemployment Program (UP) – allow qualifying homeowners to *reduce or suspend* mortgage payments for 12 months or more. Lastly, the Administration's Hardest Hit Fund (HHF) provides billions more in aid for homeowners in states hit hardest by the economic crisis. (Further details and relevant Web sites on all three of these programs are found in the "Frequently Asked Questions" section of this notice.) While thousands of unemployed borrowers have been able to reduce or suspend their mortgage payments through these programs, many more have never heard of these programs or do not know they are eligible for relief.

To further the Administration's efforts to help struggling families obtain relief, Acting Secretary of Labor Seth D. Harris sent a letter to all governors announcing a partnership to promote the Administration's foreclosure prevention programs through local Workforce Investment Boards (WIBs) and AJCs. This notice is intended to encourage local WIBs and AJCs to identify opportunities to promote the Making Home Affordable program and other mortgage assistance to those who may benefit.

3. **Action Requested.** DOL, HUD, and Treasury ask that local WIBs and AJCs provide leadership in sharing information on these mortgage relief programs for unemployed workers to help them avoid losing their homes. Below are suggested strategies to promote awareness of these important programs through the workforce system:

- Web sites: Provide pop-ups or links to information on MHA programs, www.MakingHomeAffordable.gov, and **888-995-HOPE (4673)** from UI and workforce system Web sites;
- Call Center: Provide recorded messages with information referring homeowners to **888-995-HOPE (4673)** while UI call center claimants are on hold;
- Mailings: Send targeted mailings regarding mortgage forbearance options to UI claimants from state workforce agencies;
- Partnerships with Housing Finance Agencies: For those states that received funding through HHF (please see list in “Frequently Asked Questions” section below), partner with your state housing finance agency to help reach eligible homeowners.
- American Job Centers (AJCs):
 - Ask the homeownership status of your UI claimants and other customers, and connect eligible homeowners with HUD-approved housing experts at **888-995-HOPE (4673)**;
 - Display posters on MHA’s UP in prominent places;
 - Distribute brochures and fact sheets on MHA’s UP to customers and UI claimants;
 - Reorder brochures and posters as needed at no cost through www.MHAStorefront.com; and
 - Facilitate AJC participation in MHA/HOPE Now events that include participation from HUD and Treasury.

The Department of Treasury will be mailing a toolkit of resources to AJCs in April.

4. **DOL, Treasury, and HUD Resources.** There are several resources available to assist state workforce agencies, WIB, and AJC staff in providing information on mortgage relief programs for unemployed jobseekers and others who may benefit. These include:

- The Reemployment Portal on the CareerOneStop Web site (<http://www.careeronestop.org/reemployment>) includes information on MHA programs, as well as information on other housing resources.
- Previous DOL guidance describes the partnership between DOL and the HOPE NOW alliance, including telephone hotline and Web site information is available in Training

and Employment Notice No. 12-09, available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2814)

- Information on MHA and its UP program, HHF, FHA’s loss mitigation programs, and other relevant unemployment forbearance programs is all available online:
 - MHA Home Page: <http://www.makinghomeaffordable.gov/pages/default.aspx>
 - HOPE Hotline:
http://www.makinghomeaffordable.gov/Pages/homeowners_hopehotline.aspx
 - MHA Unemployment Resources:
<http://www.makinghomeaffordable.gov/programs/unemployed-help/Pages/default.aspx>
 - Webinar Training on MHA’s UP:
<https://www.hmpadmin.com/portal/learningcenter/advisors/webinars.jsp>
 - HHF: <http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/hhf/Pages/default.aspx>
 - FHA’s Loss Mitigation Programs:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/lossmit
 - FHA’s “Save Your Home, Tips to Avoid Foreclosure” Brochure:
http://portal.hud.gov/hudportal/documents/huddoc?id=fha_saveyourhome.pdf

5. Webinar on Resources for Unemployed Homeowners. WIB and AJC staff are invited – and strongly encouraged to attend – a webinar specifically designed to support this joint effort. This webinar will be presented jointly by DOL, Treasury and HUD, and will cover the related mortgage-assistance programs; informational Web sites; downloadable fact sheets, presentations, “hold” messages, web banners, and more. Join the webinar to find out more about what resources are available and how to access them. The first of these webinars is scheduled for Thursday, April 25 from 2:00 p.m. – 3:30 p.m. ET. Register today at www.HMPAdmin.com/DOL.

6. Frequently Asked Questions.

Question: What is the Making Home Affordable program?

Answer: The Making Home Affordable program is a critical part of the Obama Administration’s broad strategy to help homeowners obtain mortgage relief and avoid foreclosure. Eligible borrowers can lower their monthly mortgage payments and get into more stable loans at today’s low rates. It also provides options to help unemployed homeowners temporarily reduce or suspend mortgage payments for at least 12 months. And for those homeowners for whom ownership is no longer affordable or desirable, the program can provide a way out while avoiding the burden of foreclosure.

Question: What is the Homeowner’s HOPE Hotline?

Answer: The Homeowner’s HOPE Hotline at 888-995-HOPE (4673) is a free, comprehensive assistance and housing counseling service that helps homeowners obtain the information and advice they need to work toward a mortgage relief solution. The hotline is available 24 hours a day, 7 days a week, and in over 160 languages.

Question: What is Home Affordable Modification Program (HAMP)?

Answer: HAMP is an MHA program that may lower monthly mortgage payments in order to make them more affordable and sustainable for the long-term. The program is available to homeowners who struggling to make their mortgage payments. Additional details are available at <http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/hamp.aspx>.

Question: What is Home Affordable Unemployment Program (UP)?

Answer: UP is an MHA program that provides assistance to unemployed homeowners. Homeowners qualified for UP benefit from a temporary reduction in, or suspension of, their monthly mortgage payments for at least 12 months.

Question: Who is eligible for Home Affordable Unemployment Program (UP)?

Answer: Homeowners are eligible to apply if they qualify for unemployment benefits; obtained their mortgage on or before January 1, 2009; and owe no more than \$729,750 on their homes. Additional information is available at <http://www.makinghomeaffordable.gov/programs/unemployed-help/Pages/up.aspx>.

Question: Which mortgage servicers offer Home Affordable Unemployment Program (UP)?

Answer: There are more than 100 HAMP-participating servicers that offer UP to eligible unemployed homeowners. Homeowners may determine whether their mortgage company is participating in UP by visiting <http://www.makinghomeaffordable.gov/get-started/contact-mortgage> or by calling 888-995-HOPE (4673).

Question: What is the FHA’s Loss Mitigation Program?

Answer: FHA’s loss mitigation program can assist eligible borrowers with FHA-insured loans obtain mortgage relief and avoid foreclosure. Home retention options allow FHA borrowers to resolve their delinquency. FHA also provides help for unemployed FHA borrowers who can take advantage of forbearance to reduce mortgage payments for up to 12 months while they seek employment. Where homeownership is no longer affordable, FHA offers homeownership disposition programs as alternatives to foreclosure. Additional information is available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/lossmit.

Question: Who can take advantage of FHA's Loss Mitigation Program?

Answer: Only FHA borrowers are eligible for FHA loss mitigation including forbearance. FHA borrowers who are having trouble making their mortgage payment should contact their servicers. For further information, FHA borrowers may call HUD's National Servicing Center at 877-622-8525. Please refer to FHA's Save Your Home brochure.
http://portal.hud.gov/hudportal/documents/huddoc?id=fha_saveyourhome.pdf.

Question: What is the Hardest Hit Fund (HHF)?

Answer: The Administration established the Hardest Hit Fund in February 2010 to provide targeted mortgage assistance to families in states hit hard by the economic and housing downturn. The Hardest Hit Fund is managed by 19 state housing finance agencies with funding from Treasury. The following housing finance agencies administer HHF funds: Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and Washington, DC. For more information about HHF, visit
<http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/hhf/Pages/default.aspx>.

Question: How can the Hardest Hit Fund (HHF) help the unemployed?

Answer: The Hardest Hit Fund helps responsible homeowners who have lost their jobs by paying their mortgage while they search for new employment. It also assists financially distressed homeowners who have incurred late payments and associated arrearages by reinstating their mortgages and/or permanently modifying them in order to prevent foreclosure. Each participating state offers its own locally tailored version of these programs; please visit your state's Hardest Hit Fund Web site in order to learn more about how to access benefits. The following Treasury HHF page contains links to all 19 programs:
<http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/Pages/Program-Documents.aspx>.

7. **Inquiries.** Information about MHA programs is available at 888-995-HOPE and www.MakingHomeAffordable.gov.

8. **Attachment.** Letter to governors on foreclosure prevention efforts.

**SECRETARY OF LABOR
WASHINGTON**

April 4, 2013

The Honorable Robert Bentley
Governor of Alabama
State Capitol
600 Dexter Avenue
Montgomery, Alabama 36130-2751

Dear Governor Bentley:

I am writing you today to enlist your leadership and support to ensure that every American who qualifies for Federal mortgage assistance has the necessary information to take advantage of the programs available to help them avoid losing their homes.

The Obama Administration's unprecedented housing recovery efforts, including assistance to homeowners through the Federal Housing Administration (FHA) and the Making Home Affordable Program (MHA), have helped millions of families obtain critical relief, modify their mortgages and avoid foreclosure. The U.S. Department of Labor (DOL) has been working collaboratively with the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury (Treasury) and we recognize the importance of these foreclosure prevention efforts and want to make sure more families obtain the mortgage relief they need.

Specifically, the Administration offers several programs to help struggling homeowners. These programs include the FHA Loss Mitigation and Home Affordable Modification Program (HAMP), which helps eligible homeowners reduce their monthly payments through a modification of their home mortgage debt. In addition, FHA's special unemployment forbearance and the Home Affordable Unemployment Program (UP) allow qualifying homeowners to reduce or suspend mortgage payments for up to 12 months. Furthermore the Administration's Hardest Hit Fund provides billions more in aid for homeowners in states hit hardest by the economic crisis.

While millions of families have already received relief, some have never heard of these programs or do not know they are eligible for mortgage assistance. That is why the three agencies came together to create a partnership between our three agencies to promote the Administration's foreclosure prevention programs. On behalf of my colleagues in both Treasury and HUD, I am writing to ask that you strongly encourage your state workforce agency, local Workforce Investment Boards (WIBs), and American Job Centers (AJCs) to work collaboratively to identify opportunities to promote available foreclosure prevention programs. We firmly believe that states are uniquely positioned to leverage key resources through the workforce system and state agencies to help more families obtain the assistance they need.

Below are suggested strategies for your state to get the word out on these important services through its workforce system:

- Websites: Unemployment Insurance (UI) and workforce system websites provide pop-ups or links to information on the MHA program, including www.MakingHomeAffordable.gov and the HOPE hotline (888-995-HOPE (4673));
- Call Center: UI call centers provide recorded messages with information referring homeowners to 888-995-HOPE (4673) while claimants are on hold;
- American Job Centers (AJCs);
- AJC counselors ask the homeownership status of UI claimants they are talking with and connect eligible homeowners with HUD-approved housing experts at 888-995-HOPE (4673);
- AJCs display posters on MHA's Unemployment Program in prominent places;
- AJCs distribute brochures and fact sheets on MHA's Unemployment Program to its AJC customers and UI claimants;
- AJCs reorder brochures and posters as needed at no cost through www.MHASTorefront.com;
- Mailings: State workforce agencies send targeted mailings regarding mortgage forbearance alternatives to UI claimants;
- Events: Facilitation of AJC participation in HOPE Now events that include participation from HUD and Treasury;
- Hardest Hit Fund: For those states that received Hardest Hit Funds, we encourage strong partnerships between the state workforce system and state housing finance agencies to help reach eligible homeowners; and
- Webinars: Representatives from the state workforce agency, WIBs, and AJCs participate in at least one of the scheduled webinar trainings on MHA's Unemployment Program that will be announced in upcoming guidance.

The three Departments stand ready to support this collaboration. We will assist in developing, publishing, and distributing the relevant materials, including pre-recorded messages, brochures, and posters described above. Treasury, HUD, and DOL will provide additional guidance on the available materials and webinars in the near future to discuss how to most effectively ensure the information is made available to more people in need. Again, we ask that you encourage your state workforce agency, WIBs, and AJCs to collaborate with each other to implement these strategies and to engage in a dialogue about how they can work together to most efficiently promote the use of foreclosure prevention programs.

We share the President's confidence about the promise and potential of our Administration's efforts to stabilize local housing markets and to provide relief to struggling families. We look forward to engaging with your state workforce agency, WIBs, and AJCs to further expand our efforts to assist struggling homeowners.

Thank you in advance for your leadership and support for this effort.

Sincerely,

/s/

SETH D. HARRIS
Acting Secretary of Labor

List of addressees:

Alabama

Governor Robert Bentley

Alaska

Governor Sean Parnell

Arizona

Governor Jan Brewer

Arkansas

Governor Mike Beebe

California

Governor Edmund Brown

Colorado

Governor John Hickenlooper

Connecticut

Governor Dan Malloy

Delaware

Governor Jack Markell

Florida

Governor Rick Scott

Georgia

Governor Nathan Deal

Hawaii

Governor Neil Abercrombie

Idaho

Governor C.L. "Butch" Otter

Illinois

Governor Pat Quinn

Indiana

Governor Mike Pence

Iowa

Governor Terry Branstad

Kansas

Governor Sam Brownback

Kentucky

Governor Steven L. Beshear

Louisiana

Governor Bobby Jindal

Maine

Governor Paul LePage

Maryland

Governor Martin O'Malley

Massachusetts

Governor Deval Patrick

Michigan

Governor Rick Snyder

Minnesota

Governor Mark Dayton

Mississippi

Governor Phil Bryant

Missouri

Governor Jeremiah W. (Jay) Nixon

Montana

Governor Steve Bullock

Nebraska

Governor Dave Heineman

Nevada

Governor Brian Sandoval

New Hampshire

Governor Maggie Hassan

New Jersey

Governor Chris Christie

List of addressees:

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Governor Andrew Cuomo

North Carolina

Governor Pat McCrory

North Dakota

Governor Jack Dalrymple

Ohio

Governor John Kasich

Oklahoma

Governor Mary Fallin

Oregon

Governor John Kitzhaber

Pennsylvania

Governor Tom Corbett

Puerto Rico

Governor Alejandro García Padilla

Rhode Island

Governor Lincoln Chafee

South Carolina

Governor Nikki R. Haley

South Dakota

Governor Dennis Daugaard

Tennessee

Governor Bill Haslam

Texas

Governor Rick Perry

Utah

Governor Gary R. Herbert

Vermont

Governor Peter Shumlin

Virgin Islands

Governor John deJongh, Jr.

Virginia

Governor Bob McDonnell

Washington

Governor Jay Inslee

Washington DC

Mayor Vincent Gray

West Virginia

Governor Earl Ray Tomblin

Wisconsin

Governor Scott Walker

Wyoming

Governor Matthew Mead