

HOUSING ASSISTANCE PROGRAM

PURPOSE

Assist all MHAFB personnel undergoing a PCS to identify if they qualify for the housing assistance program (HAP) and complete the application package. This is a summary of the program and may not address all possible situations or documentation requirements that may be encountered.

ELIGIBILITY

- **2005 BRAC applicants** (Military, Federal employee or NAFI employee)
 - Property must have been owner occupant on 13 May 2005.
 - Property must be sold between 1 July 2006 and 30 September 2012.
 - Applicant must show evidence of marketing property at current fair market value.
 - Applicant must have suffered at least 10% loss in home value.
 - Improvements may increase purchase price with line item details and receipts.
- **2009 American Recovery and Reinvestment Act (ARRA) applicants:** Military members on PCS orders permanently reassigned more than 50 miles from current duty assignment between 1 February 2006 and 30 September 2010.
 - Property was purchased prior to 1 July 2006.
 - Property was primary residence.
 - Property was sold between 1 July 2006 and no end date as of yet.
 - ARRA Expanded HAP benefits are non-taxable.
- Upon receiving orders members should contact the housing office to discuss their particular situation and complete the application package ASAP. The expansion of the program created a backlog in processing applications so there is potential for a member to become financially strapped while waiting to sell their home.
- The PCS end date is coming to a close on 30 Sep 10 if a member receives orders with a RNTLD after this date, they will be ineligible for the ARRA program unless they can qualify under BRAC 2005 criteria. The Army Corps of Engineers (CoE) is the determining entity.
- Members who have purchased their homes after May 2005 (BRAC) or July 2006 (PCS) will not qualify for assistance unless in a foreclosure situation.
- There are four categories which an applicant may qualify for. Three of the categories (with the exception of foreclosure assistance) have two common denominators: there must be a buyer for the property and it must be sold at current fair market value with a 10% variance. Current policy favors private sales and discourages government purchase of homes.
- There is special HAP eligibility for disabled military members, spouses of deceased military members and in some cases, foreclosures. For specific details, please contact the housing office.

APPLICATION PROCESSING PRIORITIES

There are different levels of assistance and priorities available through HAP depending on individual applicant financial situation.

1. Wounded, injured, and ill warriors will generally be processed in chronological order of the wound, injury or illness.
2. Surviving spouses of fallen warriors processed in chronological order of the date of death of the military member or DOD employee.
3. BRAC 2005 members and civilian employee applications will be processed in chronological order of the date of job elimination.
4. Permanently reassigned members of the Armed Forces applications will be processed beginning with the earliest report-not-later-than date of PCS orders.

Within 11 – 13 days of receiving the application package the CoE HAP field office will respond with confirmation of receipt and forward a checklist of any additional information needed to process the claim. The application process, although currently backlogged, normally takes between 60 to 90 days.

The Unemployment Compensation Extension Act of 2009 exempted expanded HAP benefit payments from taxation. Applicants who received benefits and had taxes withheld, may apply for refunds from the Internal Revenue Service when they submit their tax returns.

CATEGORIES OF ASSISTANCE

Private Sale

The home is sold either by owner, Real estate agent or short sale. Compensation may be for the difference between 90% of the prior fair market value (property purchase price) and the appraised fair market value at time of sale (sale price). Closing costs are also reimbursed. Payment of closing costs may be made to individuals who elect to sell their homes privately. The districts utilize reports from CoreLogic real estate value database system to determine applicant's eligibility.

Government Augmentation

If a member purchased a home without a down payment or the down payment was added back into the loan and they cannot sell their home for the balance of the loan, they may apply for HAP assistance for the remaining balance.

Government Acquisition

When the member has been actively marketing the property for longer than 120 days and has not been able to sell. HAP may purchase the property at 75% of purchase price or the mortgage payoff whichever is less.

Foreclosure

If lenders have foreclosed on the property you may be reimbursed for direct costs of foreclosure and expenses and liabilities under the terms of the loan agreement. If these debts have not yet been paid, the Government may pay them on your behalf.

APPLICATION PROCESS

Members should process an application as soon as they get orders. In all instances, applicants must have a buyer. The application, DD Form 1607, can be downloaded from <http://hap.usace.army.mil>. Attached to applications must be a copy of the member's orders to/from Mountain Home AFB or a copy of their assignment history from the orderly room, and the promissory note. Additional information needed:

1. Proof of occupancy
2. Line Item detail of upgrades plus receipts
3. Privacy Act Statement signed – provided with application
4. Certificate of entitlement – provided with application
5. Right of entry (if property hasn't sold) – provided with application
6. POC name and phone number (someone that doesn't live with you)
7. Copy of Power of Attorney (if closing by POA)

If house has already been sold (**Private Sale**) complete items 1-12 of the application and forward the following to the CoE:

1. Copy of the closing settlement statement
2. Sales contract
3. Deed of trust
4. Copy of release of liability from lender, VA, or FHA if loan is assumed

If the house cannot be sold for the outstanding mortgage balance an application can be submitted for augmentation (**Private Sale Augmentation**) Complete items 1-16. Application must include:

1. Copy of all promissory notes
2. Settlement Statement
3. Authorization and Release of mortgage information signed

If the house cannot be sold after actively marketing the property for 120 days, an application can be completed for acquisition (**Government acquisition**). Complete all items of the application except items 8 and 12. Additional information needed:

1. Proof of attempt to sell – MLS listings, newspaper add with receipt showing period of advertising.
2. Authorization and release of mortgage information— (copy to mortgage company as well)
3. Copy of Promissory note

For homes refinanced after the 2005 realignment/closure announcement the following must be included:

1. Refinance settlement statement
2. Payoff statement of original loan/mortgage from purchase showing interest, term and principle.
3. Provide copies of promissory note for second mortgage (if applicable).

MOBILE HOMES

Mobile homes may qualify for HAP assistance if demounted and permanently affixed to the land.

1. Copy of Bill of Sale when acquired
2. Copy of title and proof of land ownership