



Mortgage Protection Program

Revised 7/30/09

Frequently Asked Questions:

What is the Mortgage Protection Program?

The Mortgage Protection Program provides involuntary unemployment protection for qualified first-time home buyers. The program is being offered by the California Association of REALTORS® Housing Affordability Fund (“CARHAF”), to help build confidence in the purchase of a home and to reduce the fear of foreclosure in the event of a job loss. CARHAF has committed \$1 million to provide this program to qualified home buyers.

What are the benefits?

Through the program, first-time home buyers who lose their jobs may be eligible to receive up to \$1,500* per month for up to six months to help make their mortgage payments. A qualified co-buyer can also participate in this program, for a reduced monthly benefit of \$750 per month for up to six months in the event of a job loss..

***Includes taxes and insurance if impounded as part of your monthly mortgage payment.**

How much does it cost?

It's FREE to the home buyer!!! If the home buyer is qualified for benefits under the Program then all costs will be paid by CARHAF. There is no cost to the REALTOR® or home buyer.

Who qualifies for this program?

An applicant must:

- Be a first-time home buyer - someone who hasn't owned property in the last three years (includes co-buyer);
- Open and close “escrow” between 4/2/2009 and 12/31/2009 (purchase offer cannot be dated before April 2, 2009);
- Purchase a principal residence in California;
- Buyer must be represented by a California REALTOR® (“referrals” do not qualify); and
- Be a W-2 employee (i.e. not self-employed) but can not be a sole proprietor, partner or controlling stockholder in the business in which you are employed, or a dependent of a sole proprietor, partner or a controlling stockholder in the business in which you are employed.

There are no income or home price caps under this program.

When can the home buyer receive program benefits?

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The program requires an “exclusionary” period of four months before the home buyer becomes eligible to apply for benefits and a one month “elimination” period before payments begin. More information about the Program can be found at www.carhaf.org or by calling Della Romero at RealCare at 800-939-8088 or emailing her at dromano@realcare.biz.

Are there any exclusions under the Program?

Yes. You cannot be self-employed, an independent contractor, own more than 10% of the company you are employed by or be temporary or seasonal worker. There are other exclusions such as voluntarily choosing to become unemployed, expiration of employment contracts, willful misconduct, criminal misconduct, death, disability, family leave, childbirth, pregnancy and war. See the Program’s terms and conditions for specific definitions of these exclusions.

How do home buyers apply?

Home buyers must apply through a California REALTOR®. The REALTOR® will submit the completed application to CARHAF on the home buyer’s behalf. The application can be downloaded at www.carhaf.org.

How can I ensure my client can get this Program?

While you shouldn’t guarantee Program availability, we have created a simple “pre-qualification” process. You can pre-qualify your client in advance of the close of escrow by simply completing the application and mailing it in with a copy of the executed purchase agreement. Your final approval is contingent upon HAF’s receipt of the HUD-1 Closing statement to verify escrow has closed.

How will a home buyer get notification of approval of benefits under the Program?

You will receive a letter in the mail notifying you of the approval and explaining what you need to do each month to continue the benefits.

Must the monthly benefit amount be used to pay for the mortgage payment?

Yes. Under the Program, a home buyer agrees to use the proceeds to pay the mortgage.

Are the benefit payments taxable?

It is possible that unemployment benefits may be taxable. Home buyers should consult their tax advisor about any benefits received and determine what tax rules apply. If a homebuyer receives more than \$600 in benefits he/she will receive a 1099 for these benefits for the year in which they were received. The Program pays regardless of any other coverage a home buyer may already have.

For general customer service questions, who do I contact?

Call Monica Rodriguez at (213) 739-8380, or email Ms. Rodriguez at monicar@car.org. Be sure to mention that you are a CARHAF Mortgage Protection Program customer.

How long will this Program last?

Applications will be reviewed and benefits will be awarded on a first come, first-served basis until the Program funds are depleted or until CARHAF discontinues the Program, whichever occurs first.

Questions about the Benefits

What is meant by Involuntary Unemployment?

Involuntary Unemployment is defined as totally and continuously losing full-time employment as a result of:

- 1) a permanent involuntary termination of employment; or
- 2) an involuntary layoff or suspension of employment; or
- 3) an authorized, unionized strike or labor dispute by a chartered or previously
- 4) organized trade or labor union; or
- 5) a lockout, discharge of employees or temporary closing of business in response to organized employee activity; or
- 6) a state or federally declared disaster caused by a geological or weather-related natural event.

Involuntary Unemployment does **NOT** include quitting, resigning, retiring, expiration of an employment contract, being fired for cause, or being on leave due to accident, sickness, disability, family obligations, childbirth, pregnancy, or due to scheduled seasonal or temporary breaks.

Can I get benefits right away?

There are some additional requirements that must be met prior to receiving benefits. Before involuntary unemployment benefits can be received, there is an initial exclusionary period of four (4) months. If you become unemployed anytime before the initial exclusionary period is over, you will not be eligible to file a claim for this unemployment occurrence, and you will have to return to work for at least 12 consecutive weeks before eligibility begins again. The unemployment claims procedure requires documentation of registration with the California unemployment office which will verify the date of your unemployment. You will also have to be current on your mortgage payment. Once the "exclusionary period" and "actively at work" requirement have been met, there is also a 30-day "waiting period" before cash benefits are paid.

How long do I get involuntary unemployment cash benefits?

There is a six (6) month "Maximum Benefit" during the coverage period. You will be paid 1/30th of the monthly benefit amount for every day you are unemployed (beyond the exclusionary and waiting period) up to a maximum of 6 months.

How do I file an unemployment claim for program benefits?

Contact cynoSure Financial, Inc 1-800-711-4280 for a claims package. Please mention that you are a CARHAF Mortgage Protection Program customer when doing so to ensure that your call is forwarded to the appropriate personnel. You will need to complete the claims package and submit it according to its instructions. You must register with your state's unemployment division. The claims administrator will verify your coverage and start the claims payment process.

Can I upgrade my benefits or renew the coverage at the end of the one year Program?

Upgrades and renewals are not available under this Program.