



Mortgage Assistance Program Overview



What is the Mortgage Assistance Program?

- The Mortgage Assistance Program (MAP) provides funds to eligible homeowners at risk of foreclosure in order to help them keep their homes.
- New York City has committed \$5 million of city funds and private funders have committed an additional \$1.375 million.
- The loan amount varies by use and is contingent on credit committee approval, generally targeted between \$10,000-\$15,000.
- Though the program uses vary, in essence, **MAP loans are used to pay arrears or principal to make a mortgage affordable.**



How does a MAP loan work?

- **Zero interest, no monthly repayments** for full term of MAP loan.
- MAP funds are due upon refinance or full payment of all existing loans, sale of house, or if borrower ceases to be an owner-occupant.
- If the borrower does not profit from the sale or refi, or if (s)he has a demonstrated hardship, MAP loans may be forgivable.
- MAP funds are split into a \$1,000 mortgage and a conditional grant for the remainder (up to \$24,000).
- MAP funds are paid directly to the lender/servicer.



Who Qualifies for MAP?

- Applicant must work with a qualified housing counselor or legal service provider (no fee may be charged).
- Applicant must live in a 1-4 family house or condo (no co-ops).
- MAP loan must be for a primary residence.
- Applicant must live in New York City (five boroughs).
- Applicant's household income must be at or below 165% of Area Median Income (AMI) at time of application.
- MAP funds must result in an affordable housing cost burden:
 - 40% front-end debt-to-income ratio
 - 55% back-end debt-to-income ratio

For applicants with a housing cost burden above 40%, MAP funds will be contingent upon an affordable modification or second mortgage settlement.



What Defines a “Strong MAP Applicant?”

- Steady source of income
- Manageable consumer debt
- Well-defined hardship which led to the default
- Hardship has been fully resolved
- Applicant demonstrates a readiness to resume making mortgage payments (by saving monthly mortgage payments), or has continued to make mortgage payments throughout default
 - *Although these characteristics make the odds of a successful application stronger, MAP considers all applicants who meet basic qualifications.*



When Should I Apply for MAP?

- Once you determine that your client is a good fit and is eligible for MAP you should begin the application process.
- Do not wait until a modification or settlement offer has been received to apply for MAP.
- Allow at least one month between submitting a MAP application and any servicer or bank deadlines.
- Refer your client to **OFE** as soon as possible. Although working to improve non-housing finances with a financial counselor can delay the process, in many cases it is necessary.

Uses for MAP

Three Major Uses

- Pay arrears and reinstate
- Short pay-off of second mortgage
- Down-payment on non-HAMP modification

MAP cannot be used to repay consumer debts or municipal liens.



MAP Success Stories

Reinstatement of an Affordable Mortgage

Ms. Randall resides with her daughter in a 2-family home in the Parkchester neighborhood of the Bronx.

She purchased her home in 2001 for \$226,000 with an affordable FHA loan, but went into arrears when she separated from her partner.

MAP funds of \$24,000 were combined with NEDAP GAP Loan funds of \$15,000 to pay \$39,000 in arrears, discontinue the foreclosure and reinstate a 7.5%, 30 year mortgage that represents a 31% debt-to-income ratio.



Maintaining Current Mortgage with MAP	
Monthly Income	\$ 6,517.00
Unpaid Principal Balance	\$ 216,406.00
Total due for reinstatement	\$ 39,135.40
Amount of MAP loan	\$ 24,135.40
NEDAP	\$ 15,000.00
Rate	7.50%
Term (years)	30
Payment with full amortization	\$ 2,019.00
Ratio	30.98%

MAP Success Stories

Paying Off Second Mortgage

Wendy and Jude Pierre-Louis fell behind on their mortgage payments in 2007 after suffering a series of family and employment related hardships, which resulted in a significant loss of income.

They received a HAMP loan modification in January 2010, which reduced their mortgage payments by over \$2,500 each month.

Unfortunately, the Pierre-Louis' still could not afford their total monthly payments due to a second mortgage with a very high interest rate.

MAP funds were used to fully pay off their second mortgage which had a balance of over \$157,000. The \$20,000 MAP loan was 13% of the unpaid balance of the second mortgage.

The Pierre-Louis' mortgage payments have gone from \$6,000 dollars a month on the two mortgages to under \$2,100 for their first mortgage, equal to a 23% debt-to-income ratio.



Paying off a Second Mortgage with MAP	
Monthly Income	\$ 8,957.00
Unpaid Principal Balance	\$ 157,274.87
Settlement Offer	\$ 20,000.00
Amount of MAP Loan	\$ 20,000.00
MAP as Percentage of UPB	13%
PITI on HAMP Modified 1st Mortgage (years 1-5)	\$ 2,027.77
Front End DTI Ratio	22.64%

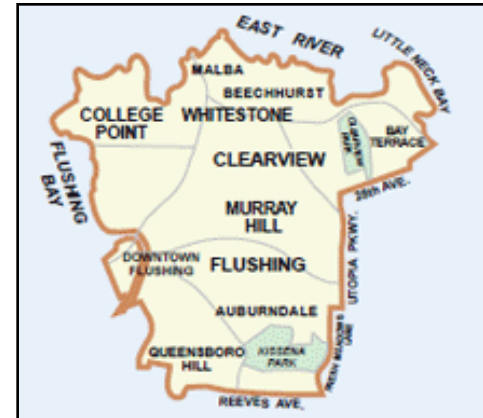
MAP Success Stories

Down-Payment on a Non-HAMP Modification

Mr. and Mrs. Avello experienced a reduction of income in 2008 and 2009 due to reduced demand during the economic downturn for Mr. Avello's services as a sedan driver working primarily for financial professionals.

Because the Avellos had a significant amount of equity in their home, they were denied a HAMP modification and remained in default for almost 30 months.

With a **down-payment from MAP** and assistance from CNYCN, they received a modification that extended the term to 40 years and lowered the interest rate by 2.25% for monthly payments that are now **31%** of the Avellos' gross monthly income.



Monthly Income	\$ 3,998.64
Unpaid Principal Balance	\$ 130,061.80
Rate	5.75%
Term	480
PITI under Modification	\$ 1,234.54
Front End DTI Ratio	30.87%

Review

Three Major Uses

Reinstate Affordable Mortgage	Short Pay-off of Second Mortgage	Down Payment on Non-HAMP Modification
up to \$25,000 based on arrears	target: 5% to 20% of unpaid principal balance	target: \$5,000 to \$10,000

approved amount is at discretion of MAP credit committee

Other Possible Uses

- Pay-off first mortgage
- Payment of escrow deficiency
- Payment of HOA or condo association liens
- Payment of principal for refinance
- Payment of principal to reduce monthly payments

How To Apply

- Use the **online application!**
- Go to www.cnycn.org/map and click on the “For Counselors and Legal Service Providers” section.
- From this page, you can use your office’s unique username and password to login and start applying.
- Follow the instructions on the website to complete your application.
- A confirmation email will be sent to you once your application has been submitted.
- Before we can review the application, we’ll need the required documents (a full list is available on our website).
- While you’re logged in, you can also check the status of previously submitted applications.
- The new online application will make the application process easier and faster for you!

Coming Soon

- Increased MAP outreach including more visits to Network Partners, mailings to hardest hit areas, social media presence and attendance at housing events
- Continue to check the monthly MAP newsletter and the counselor listserv for program updates, new trainings and additional case studies! If you do not receive the newsletter currently, email us at map@cnycn.org.

Contact Us

Please feel free to contact us with any questions:

Email: map@cnycn.org

Call: 646-786-0888

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